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Japan

Hosokawa, Clinton Agree To Meet in 'Late' Sep
*OW1908034693 Tokyo KYODO in English 0340 GMT
19 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—Prime Minister Morihiro Hosokawa and U.S. President Bill Clinton agreed Thursday [19 August] to meet in late September in the United States, government officials said.

The summit meeting will coincide with Hosokawa's visit to the U.S. for the U.N. General Assembly in New York, the officials said. They reached their decision during a telephone conversation.

It was their first direct talk since Hosokawa took office on August 9 as the first prime minister from outside the Liberal Democratic Party in 38 years. Clinton expressed hope that they will make "substantial" progress on talks about a framework for bilateral economic consultations, the officials said.

Hosokawa Cabinet Meets 19 Aug To Discuss Yen
*OW1908004293 Tokyo KYODO in English 0011 GMT
19 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—Prime Minister Morihiro Hosokawa and his ministers in charge of economic affairs met Thursday [19 August] morning to discuss measures to halt the yen's runaway upswing and enliven the dragging economy, officials said.

The ministers are mainly talking over possible measures to ease business regulations and pass on the profits from the yen's appreciation to consumers, sources said. They are expected to announce government initiatives to open Japanese markets and reduce Japan's mammoth trade surpluses, they said.

A government source said earlier that the ministers will likely set deadlines for when each ministry must come up with measures to achieve these ends.

But further fiscal and monetary stimulus, such as the expansion of public works spendings and a cut in interest rates are unlikely to result from the emergency meeting, sources said.

One government official called the recent advance of the yen against the dollar "a very serious situation that raises concerns about the negative impact on the overall economy."

Assesses Economic Conditions

*OW1908052793 Tokyo KYODO in English 0518 GMT
19 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—Prime Minister Morihiro Hosokawa and his economic ministers agreed Thursday [19 August] to combat the slumping economy by compiling a package of measures by mid-September

to ease government control on business and to pass on the benefit of the yen's rise to consumers.

The ministers, in a special meeting to discuss the state of the economy, reached consensus that conditions demand no lapse of attention by the government, ministers said.

Their assessment of economic conditions effectively revises the declaration by the government of former Prime Minister Kiichi Miyazawa that the economy has hit bottom, some analysts said.

Finance Minister Hirohisa Fujii told a news conference afterward that the government will compile a "menu" of concrete projects on deregulation by early September for "substantial and meaningful results" within the month.

The Hosokawa cabinet also decided to formulate measures to pass profits gained through the yen's appreciation against major currencies to consumers, Fujii and other ministers said.

Chief Cabinet Secretary Masayoshi Takemura called on domestic importers to work on transferring their exchange rate benefits "directly" to the public.

Key cabinet members will meet again by the end of August to discuss these issues, they said. But Fujii said no specific requests were made during the meeting for additional fiscal or monetary stimulus measures to provide a boost to the economy.

Fujii said another meeting of ministers will be held next Tuesday to focus on the developments of the nation's public works spending carried out under the 13.2 trillion yen pump-priming package announced in April. He said they want to "beef up" the process to ensure that the front-loaded 75 percent spending target is reached within the first half of the current fiscal year.

International Trade and Industry Minister Hiroshi Kumagai told reporters, however, that the government will implement a fresh economic program in mid-September. He said the government will study "all possibilities," including if further fiscal or monetary measures are necessary.

However, Finance Minister Fujii said there was no discussion at the Thursday meeting on the potential needs to further introduce fiscal or monetary measures. He said the consensus of the administration is to solidly implement already announced steps.

On the interest rate policy, Fujii agreed with Bank of Japan Governor Yasushi Mieno, who indicated to the press Wednesday that there is no immediate need to cut the official discount rate, which stands at 2.5 percent—a historical low.

No hints were given by the ministers Thursday on specific ideas that may promote deregulation.

Kumagai said the deregulation scheme will be carried out in two phases, first an emergency program to be

implemented next month, followed by a plan viewed from medium- to long-term perspectives. He said Hosokawa expressed a desire to draw up a "comprehensive policy package" to execute deregulation within the year, but participants at the meeting had not yet agreed on the proposal.

Fujii said the Hosokawa administration is "at the point of no return" in promoting deregulation and proclaimed it will do its utmost to achieve its goal with the same amount of passion directed toward political reforms.

Economic ministers Thursday agreed that Japan's economy remains vulnerable in its current stage and no easy forecast could be made as to when a substantial recovery will be seen.

Fujii said the government has an "even more austere" outlook on the state of the economy than when it declared the "bottoming out" of the recession under the administration of former Prime Minister Kiichi Miyazawa.

He said such a view should be backed when further statistics are released for the April-June quarter.

Asked if the situation will worsen, Chief Cabinet Secretary Takemura said only that "it is continuously sluggish."

On the yen's appreciation against the dollar, Fujii said authorities are "doing everything they can" to deal with the problem and will continue to keep in touch with other Group of Seven (G-7) major economic powers on the issue. He said, however, that effective means to throw cold water on the yen's heated advance would be to promote deregulation and pass on its benefits to consumers which may contribute to stimulating domestic demand.

The yen is currently changing hands at postwar record levels against the dollar at around 101 yen, climbing nearly 20 percent since the beginning of the year in light of Japan's 130 billion dollar annual trade surplus. The appreciation has severely hit exporters as they have lost price competitiveness abroad, while little of its benefits such as lower prices of imported goods and services has been passed on to consumers.

Fujii said no specific reference was made to support the export industry at the Thursday meeting, adding the administration will consider the issue from a higher and broader point of view. He maintained his previous opposition against setting numerical goals to restrain Japan's trade surplus which has been exhorted by the United States.

He said Thursday's participants decided they would hold such ad hoc meetings again when necessary.

Gas, Electric Rate Cuts Studied

*OW1908041893 Tokyo KYODO in English 0411 GMT
19 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—The government put pressure Thursday [19 August] on electric power and gas companies to slash their rates to reflect the yen's sharp appreciation in currency markets, a factor which allows them to pay less for imported fuel.

The move came in remarks by some cabinet ministers after Prime Minister Morihiro Hosokawa inaugurated a special meeting to discuss economic conditions and ways to pass on the benefit of the yen's rise to consumers.

Speaking at a news conference afterward, International Trade and Industry Minister Hiroshi Kumagai said he has instructed his bureaucrats to conduct a survey of earnings by electric power companies in preparation for rate cuts.

Hosokawa and his ministers involved in economic matters agreed to map out measures by mid-September to pass on the benefit of the strong yen to consumers.

Manae Kubota, chief of the Economic Planning Agency, told a separate news conference that the ministers shared the view that rate cuts should be "a main pillar" of those measures. Electric power and gas companies have been under pressure from users and consumers to slash their rates in line with the yen's advance, but have resisted on grounds of uncertainty about exchange rates and earnings.

Meeting Ends Without 'Package'

*OW1908032193 Tokyo KYODO in English 0308 GMT
19 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—Prime Minister Morihiro Hosokawa and his cabinet ministers responsible for economic affairs ended a special meeting Thursday [19 August] morning without any specific additional stimulus package.

Finance Minister Hirohisa Fujii told reporters after the meeting that there were no requests for a fresh pump-priming package, either fiscal or monetary, although the ministers agreed the economy is in dire shape. But they agreed to hammer out measures by mid-September to relax government controls on trade and industry to help promote business activity and imports and to pass on the benefit of the yen's rise to consumers.

The ministers will meet again by the end of August to discuss the state of the economy. "I hope to make (the talks) really substantial," Chief Cabinet Secretary Masayoshi Takemura told reporters separately.

Fujii said the government will compile a "menu" for deregulation by early September and implement it within a month. Fujii, touching on the turbulent currency market, said the government is doing its utmost to halt the yen's rapid advance.

Fujii said he does not believe further interest cuts are necessary. He stressed the importance of solid implementation of public works projects, adding that the ministers concerned will meet on August 24 to assess the process of implementation.

International Trade and Industry Minister Hiroshi Kumagai told a separate news conference that all possibilities on monetary policy should be discussed.

Russian Cruiser Dispatched to East China Sea

*OW1908043693 Tokyo KYODO in English 0424 GMT
19 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—A Russian naval cruiser has been dispatched to the East China Sea in an effort to halt pirate attacks on Russian ships, the Japanese Maritime Self Defense Forces (MSDF) said Thursday [19 August].

The Petropavlovsk, a Kara class cruiser armed with missiles, passed through the Tsushima Straits between South Korea and Nagasaki Prefecture about 3 PM [0600 GMT] Wednesday, the MSDF said. It had been spotted some 180 kilometers north of Tsushima island heading south by an MSDF anti-submarine patrol aircraft.

On Tuesday, Radio Moscow announced the cruiser was being dispatched to the East China Sea to protect Russian vessels from pirate attacks. It is the first time that a cruiser from Vladivostok, home of the Russian Pacific fleet, has been dispatched on such a mission, the radio broadcast said.

MSDF officials expressed concern that the arrival of the cruiser may lead to friction with the Chinese vessels which operate in the area.

Hosokawa on Use of 'War of Aggression' Phrase

*OW1808153593 Tokyo KYODO in English 1514 GMT
18 Aug 93*

[Text] Tokyo, Aug. 19 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [18 August] he has not yet decided whether he will again describe in his Diet policy speech next Monday the Japanese Imperial Army's actions in World War II as "a war of aggression." Hosokawa, responding to a reporter's question on whether he would employ the same expression he used at an August 10 news conference, replied "it is not yet decided."

The prime minister spoke briefly to reporters at his official residence following a meeting with his top aides to discuss the content of his first major policy address in both houses of the Diet, scheduled for Monday afternoon. Among the aides were Chief Cabinet Secretary Masayoshi Takemura, his deputies Yukio Hatoyama and Nobuo Ishihara, and Prime Ministerial Assistant Shusei Tanaka.

At the August 10 news conference, Hosokawa employed the most candid description ever used by a postwar Japanese prime minister, saying, "I perceive it as a war of aggression. It was a mistaken war."

At a government-sponsored rite marking the 48th anniversary of Japan's [words indistinct] at the relatives in neighboring countries in Asia and in those throughout the world."

The NIHON KEIZAI SHIMBUN, an influential business daily, reported in a Wednesday morning edition that Hosokawa will not use the same expression. The NIHON KEIZAI quoted an unnamed government source as saying that if Hosokawa used similar wording it might offend the families of the Japanese war dead.

The MAINICHI SHIMBUN, one of the three largest mass-circulation newspapers, also reported in a Wednesday evening edition that in his speech Hosokawa will express his deep remorse over the war but will not actually offer an apology, in an effort to circumvent foreign demands for reparations.

Importance of Weapons-Related Export Controls

Managing Weapons-Related Exports

*932A0270A Tokyo TSUSAN JANARU in Japanese
Jun 93 pp 8-13*

[Roundtable discussion by Hiroto Oyama, professor, Tokyo International University; Yoshihisa Ojimi, director, Strategic Technology Trade Information Center; Susumu Shirakawa, deputy director general, International Trade Administration Bureau, Ministry of International Trade and Industry]

[Text] Even since the end of the cold war centered on the United States and Russia, the risk of frequent localized regional conflicts persists and, in fact, has shown a tendency to expand. Japan, which seeks enduring international peace for mankind, must exercise export control over weapons and weapons-related materiel from both government and private-industry sectors to prevent the proliferation of weapons of mass destruction.

This roundtable discussion will cover the status of international peace and security and export controls using as a basis the report submitted by the Weapons-Related Export Control Division, Industrial Structure Advisory Council.

Events Taking Place in a Cold Peace

[Shirakawa] This discussion on weapons-related exports control has been inspired by drastic changes in the international environment concerning military security. I ask that you initiate the discussion on how you view the present international situation from the standpoint of weapons-related international trade. Let us start with Mr. Oyama.

[Oyama] The majority of people must have expected that an era of peace would arrive with the end of the cold war, but once the former arrived, the era turned out to be a period of turmoil of unanticipated proportions. Jeffrey Garden wrote a book titled *From Cold War to Cold Peace*, and I feel the title was appropriate. Presently, the world is enshrouded in a cold peace and is plagued by turmoil. And we now face the risk wherein a considerable number of nations possess weapons of mass destruction to include nuclear, chemical, and biological weapons.

During the cold war, such cases could be controlled by COCOM [Coordinating Committee on Multilateral Export Controls] on an individual basis but under current conditions the question arises as to how we can manage such risks. Under COCOM, limitations could be imposed on high-tech items, but under current conditions we may have to impose restrictions on exports of mechanical parts for VTR's [video tape recorders].

That means we probably need to impose relatively strict standards. Since Japan is working assiduously to further its cause as a pacifist nation, it would be compromising itself if it were to contribute in any way to the manufacture of weapons of mass destruction. I believe Japan must cope with this issue with explicit policies.

[Shirakawa] Director Ojimi... as consultant to the Arabian Oil Company and chairman of the Middle East Cooperative Center, how do you view the Middle East situation in terms of weapons-related trade?

[Ojimi] In the Middle East, there is a move seeking the establishment of a regional military security system based on lessons learned from the Gulf war. Additionally, it appears they wish to reinforce the region's cooperation with the West. But, the individual countries of the region are in the process of expanding their respective military arms systems.

Presently, the largest issue looming over the area are moves being made by Iran. Surrounding countries are watching Iran cautiously as it expands its submarine and conventional weapons forces while it is suspected of developing nuclear weapons and negotiating the acquisition of missiles.

In that sense, as stated by Mr. Oyama, the cold war has ended, but new problems have surfaced and we are still at a stage where a new world order is being pursued.

I believe attention is now being focused on the issue of export controls as one link in the search for world peace and stability in terms of strengthening the United Nations, regional military security, and stability through economic cooperation.

Implementation of Ways To Prevent Proliferation of Weapons of Mass Destruction

[Shirakawa] Do we realistically face the possibility that the future will witness a rapid expansion in in weapons in weapons of inweapons of mass destruction in weapons of mass destruction?

[Oyama] I believe Japanese embrace the illusion that the world will conduct itself in conformance with the principles of pacifism. Japanese technology has no relationship with weapons manufacture. Japanese machinery makers are quick to argue that their products are supposed to have nothing do to with weapons. They say that the technical level of Japanese products made for civilian use is so high that, as an example, the miniature bearings used in VTR's have higher precision than that used in missiles. This means that there is the risk that such VTR bearings would be used for manufacture of weapons of mass destruction.

There are several factors dealing with the possibility for proliferation of weapons of mass destruction. One factor concerns the risk that individual nations will independently develop the capability to make such weapons. Another factor concerns the potential that technicians in Russia who had been engaged in the manufacture of weapons of mass destruction will emigrate to other areas because of the collapse of the Soviet Union.

In the latter connection, the United States is playing a central role in an effort to somehow retain such technicians within the Russian borders, but the effectiveness of such efforts comes into question because of the wide variance in wage levels between Russia and other potential labor markets.

Further, the world always faces the risk of giving birth to dictators.

[Shirakawa] Accordingly, there is a need for Japan as well as the whole world to exert efforts at preventing proliferation of weapons of mass destruction while exercising due concern and caution to establish export controls as one of the prevention measures.

[Ojimi] Yes, that is the case. I think we must consider the issue on the premise that there is a strong potential for proliferation. As was previously mentioned, contrary to the days of COCOM controls, we are now at a stage where we cannot limit our actions to simple restrictions. A term called "know" regulations appears in the report, but the approach we take must encompass investigations of final use and final demand actions relative to exports because, as an example, there are such cases as the conversion of an agricultural chemical plant, which could have been used to produce a variety of universal products, into a poison gas factory.

On the other hand, it will be quite difficult to control exports in a wide range of areas such as in cases where intermediate distribution systems of materials is

extremely protracted and material is being made primarily by small and mid-sized enterprises. Nonetheless, there is a need to establish effective controls even under those circumstances.

First, I believe individual firms must give priority to the establishment of internal export control systems. In addition, government must expand its administrative agencies to monitor such controls. Germany has established a separate office known as the Export Control Agency, but I hope our country also sets up a government agency to provide specific guidance so that it can oversee the implementation of sufficiently effective measures by private industry. I believe our center should serve as an intermediary between government agencies and private industry.

[Shirakawa] Mr. Oyama told us the story about the diverted use of VTR bearings, but is there a spreading awareness of such potentially dangerous uses?

[Ojimi] I believe there is general knowledge of such potential use, but what is not clear is the responsibility or application of immunity for such uses. A major issue is the development of basic rules that provide clear-cut procedures to be followed in such situations.

[Oyama] In Japanese industry, the COCOM violation by Toshiba Machine Co. instilled awareness of the extreme importance of export controls. Export of weapons has the potential of causing the disciplinary firing of the president and chairman of a parent company. Accordingly, businesses must consider such reality and develop appropriate controls. They cannot plead ignorance of regulations in connection with any future violations.

Actions To Be Taken in Connection With the Control of Products and Technology With Universal Application

[Shirakawa] I believe international cooperation will be given a boost, but what should Japan stress in such international arenas?

[Oyama] First, we need to consult about nations that pose a threat. Next, the subject should be methods for identifying technology with universal application that have the potential of being used in missiles and nuclear bombs. In the area of chemical weapons, not all agricultural chemicals pose a hazard, so it is important that we identify those that have the potential of being used in such weapons.

[Ojimi] Since we are in the throes of establishing an international system, we have not arrived at a uniform list of which countries will be the object of control. Even if we cannot quickly agree on such a list, I believe we need to exert efforts to produce a coordinated international list.

[Oyama] Use of products and technology with universal application for peaceful purposes will contribute to the economic growth of the nations concerned. In that sense, we must not restrict all exports just because there is the potential that such products and technology have the

potential for being diverted to application on weapons of mass destruction. We must make some sort of distinction in that respect and avoid any hobbling of economic growth while preventing proliferation of weapons of mass destruction. Japan should advocate maximum growth of exports within the confines of this definition. As an example, let's consider the case of pipes that are resistant to corrosion and usable in the production of chemical weapons. Such pipes can also be used for other purposes. The question becomes, what action should be taken if a given country requests sale of such pipes? The international consensus would call for a determination of the final use for the pipes. It may be a case where it can be determined that the pipes can be sold if they will truly contribute to the economic development of the nation concerned, but if we take that attitude without appropriate investigation and the pipes are diverted to production of weapons of an undesirable nature, there is considerable potential that the exporting nation would be subject to a barrage of criticism from other nations.

[Ojimi] The judgment will be that the exporting nation may not have been aware of the plan to divert the pipes to weapons manufacture, but objectively speaking they should have known. The question is, where will the distinction be made in such cases? I think it is a case where excessive demands would be illogical, but that appropriate distinctions should be made.

[Oyama] I would say that would be the case. As an example, let's say a representative of a trading firm traces the use of an exported item and finds that it is installed in a factory that has nothing to do with the manufacture of military equipment. However, soon thereafter, the nation concerned removes the exported item from the initially installed factory and installs it in a weapons plant. In such a case, responsibility for the items should be one of control by the nation concerned. However, that being said, in many such cases the nation concerned is not one where such an interpretation will be accepted internationally.

Because of the nature of such potential problems, the future will probably call for the assignment of specialists in each company. That individual will be qualified to pass appropriate judgment on the risks inherent in each case. I believe the existence of such specialists in each company will have a considerable social impact.

[Ojimi] I believe the accumulation of intelligence is important. If intelligence available enables prompt identification of questionable end users, it will facilitate screening of exports. Thus, intelligence accumulation should be given high priority. Additionally, technical information must be compiled because judgments must be made with respect to type of industry and quality level of potential exports. Further, we need to enhance the quality of intelligence maintained by taking such actions as promoting international interchange among agencies such as the one that I represent, holding symposiums and issuing publications.

[Oyama] It would appear that public relations will become a quite valuable function. We must establish a system wherein companies can call the center and make inquiries on the potential of using specific technologies in the production of weapons. I believe the overall system will not function properly unless individuals engaged in export are aware that such information is centrally available. I believe we need to provide special emphasis on public relations with small and mid-sized enterprises.

[Ojimi] It would be most ideal if we could establish a system to provide intelligence, set up ways to provide export controls for small and mid-sized enterprises, and provide consultative services for questionable cases.

Project Management

[Shirakawa] Control of exports having the potential for use on the production of weapons of mass destruction will be converted from a system of managing exports on the basis of control lists which restricted the export of controlled items during the cold war era to considerably broader control on a project basis. The report calls for such a control system, but can you explain what inspired that conclusion?

[Oyama] The world is composed of several areas where exports are restricted. Moreover, the applicable technologies cover a wide spectrum. They are not limited to high-tech items. If the goal is to establish a system for effectively restricting exports of such a nature, we cannot, as you say, avoid a project management approach.

I imagine an embargo list approach itemizing all controlled products would be unmanageable. Thus, we need to think in terms of, if there is a risk, are firms concerned aware of such a risk in developing a control system?

[Shirakawa] MITI is about to complete its work on the detailed implementation of a control system, but, Director Ojimi, are there any points that should be given priority?

[Ojimi] Industry would be grateful if, as I stated earlier, specific and clear-cut standards are set up. Additionally, an efficient inquiry system can be established by providing for an on-line value-added network (VAN) system. I believe these two points are important.

[Oyama] If we were to supplement those points, I think we should strongly call upon Russia and China to seek their cooperation in working towards avoidance of exacerbating world turmoil.

[Ojimi] I believe we should establish a cooperative system encompassing as a minimum the Asian continent relative to weapons of mass destruction enabling the conduct of trade with peace of mind at least in that geographical area.

[Oyama] A while back when President McNamara of the World Bank visited Japan I attended a symposium with

him during which he sentimentally spoke of the potential for the world to reduce military expenditures and to use that money on the preservation of the earth's environment. I believe Japan should speak out before the world about such topics. Such moves should represent the ideal approach for humanity, but unfortunately there are several individuals on earth who do not think that way.

[Ojimi] I have one final item to cover. The division's report used as the basis for this discussion is truly well-prepared. Although it would be desirable for the general public to read the report, that would not be practical, but as a minimum individuals involved in export work should read the report for its value as a textbook.

[Oyama] There is a need to translate the report into English and distribute it to various foreign countries, because there is a need for international cooperation and coordination of trade control systems. I believe efforts of this nature are necessary.

[Shirakawa] We have already sent the responsible department head to the United States to explain our progress and seek their understanding of Japan's efforts. In the future, we hope to promote international cooperation and work on the establishment of a weapons-related trade control system for the purpose of providing for appropriate controls to prevent the proliferation of weapons of mass destruction.

I appreciate your participation in today's discussion.

Issues in Trade Control

*932A0270B Tokyo TSUSAN JANARU in Japanese
Jun 93 pp 14-16*

[Article by Kensuke Ebata, military critic: "Weapons Proliferation and Weapons-Related Trade Control After the End of the Cold War"]

[Text] **Suspicion of Nuclear Weapons Development by North Korea**

Development of nuclear weapons by North Korea (Democratic People's Republic of Korea) has become a major international concern. The reason is the existence of several pieces of circumstantial material evidence such as satellite photographs and acquisition of data by the International Atomic Energy Agency (IAEA) in 1992 which led to the suspicion that North Korea is secretly developing nuclear weapons. Then there is the political and strategic situation that leads to the assumption that North Korea is in the process of developing and possessing nuclear weapons. In addition, North Korea, according to seemingly reliable intelligence, is producing long-range ballistic missiles and poses a very large military threat because the combination of nuclear weapons and ballistic missiles have the potential for serving as absolute weapons.

This may be an extreme assumption, but even if North Korea were to possess large-scale super-heavy nuclear

weapons that could be carried only by bomber aircraft, they may serve as a basis for political influence, but will not pose much of a threat militarily to air defense systems commonly installed today. Needless to say, it is not a case where they will pose no military threat whatsoever. As witnessed during the "Gulf war" when Iraq fired Scud (Al Husayn) ballistic missiles, no effective method currently exists as a defense against that type of weaponry. (The U.S. SDI/GPALS [Strategic Defense Initiative/Global Protection Against Limited Strikes] program is aimed at producing such a system). The Scuds used during the "Gulf war" were of the conventional type, that is, 500 kilograms, and did not inflict major damage even when they hit their intended target. It was fortunate that the guidance system on the missile lacked precision.

Threat of Combined Missile and Mass Destruction Warhead Weaponry

However, lack of precision in the guidance system becomes a minor problem because any warhead armed with nuclear, chemical, or biological weapons will have a very large impact radius. This may be a wild supposition, but if a missile targeted at Ginza in Tokyo is shot down over Shinjuku, if the warhead consisted of one of these warheads of "mass destruction," Ginza would disappear if it were a nuclear weapon and impose casualties in the Shinjuku and surrounding areas if it were a biological-chemical weapon. Unfortunately, the Patriot air defense missile will not provide for decisive defense against ballistic missiles with mass destruction weapons-type warheads. Accordingly, ballistic missile/mass destruction weaponry combinations pose a very large military threat and an unavoidably major influence in the area of politics.

Thus, the possession of weapons of mass destruction and ballistic missiles provides a major attraction as an option for countries that desire to maintain a strong political or strategic voice, diplomatic negotiating power, or religious leadership.

The 400-500-kilometer-range tactical ballistic missile known as Scud-B in the West which is held by North Korea can only reach South Korea (Republic of Korea), the northeastern sector of China (People's Republic of China) and part of the Russian coastal provinces, but North Korea is said to have developed or is in the process of developing modern ballistic missiles known as "Nodong-1" and "Nodong-2." Although it is not certain, firing ranges are reportedly 900, 1,000, and 1,500 kilometers, but with a range of 1,000 kilometers a missile fired from the 38th parallel can reach all of Kyushu and the Osaka-Kobe region, the northeastern sector of China, and deep into the Russian coastal provinces, providing for a very major political and strategic impact. Although photographic confirmation is still pending, it is reported that Pakistan has acquired tactical ballistic missiles similar to the Scuds of the M-11 designation from China. Pakistan is another country which is strongly suspected of possessing nuclear weapons.

Whether it be North Korea or Pakistan, the question is whether they have miniaturized nuclear weapons to the point where they can be mounted on tactical ballistic missile warheads. This requires miniaturizing nuclear warheads to a weight of less than one ton and a diameter less than one meter. This will require some degree of high-level technology. If they are attempting to place strong military significance on nuclear weapons (accompanied by inevitably strong political significance), they will probably work to miniaturize missile warheads. The world is exercising significant concern over whether these two countries have the capability to independently develop such high technology and know-how, whether they need outside support, and whether they have acquired such support.

Significance of Control Over Transfer of Technology

In the event independent development is not possible, there is the possibility of preventing the acquisition of such technology and know-how, at least delay the development or possession of weapons of mass destruction and ballistic missiles by such nations, or even the possibility of their abandoning development and possession of such capabilities. Needless to say, we must exert parallel peripheral efforts to provide for a political and economic environment which will eliminate the need felt by such countries to acquire such capabilities. As long as the five permanent members of the UN Security Council possess nuclear weapons, any argument against possession of nuclear weapons by other nations will lack persuasive power.

Although there is a variety of views on this matter, at least 10 nations outside the permanent members of the Security Council are estimated to have intentions of holding nuclear weapons. More than 15 nations possess ballistic missiles and their numbers are expected to reach 20 by the end of the century. We cannot deny that it is necessary to prevent any intensification of instability in the international military environment in order not to cause an increase in the number of such nations.

However, the situation cannot be completely resolved by preventing the proliferation of weapons of mass destruction and ballistic missiles. There is the potential of providing major military and political impact by acquiring technology to introduce precision to missile guidance systems in the event they fail to develop the capability to handle weapons of mass destruction. That fact was substantiated by multinational forces attacks during the "Gulf war." If cruise missiles equipped with conventional warheads are guided precisely even for several thousand kilometers and inflict a surprise hit on the command center of a given country, the attacking force can quickly destroy any capability for counterattack.

Military Application of Civilian Products and Drop in Distinction Between Military and Civilian Technology

As an example, there is a navigation system using the global positioning system (GPS) and manmade satellites.

Currently existing are precision guidance codes using military codes and signals made available for general civilian use, but even the latter be capable of determining positions by an error factor of plus or minus 30 meters. During the "Gulf war," the signals were temporarily revised and precision dropped to an error factor of 100 meters, but the use of terminal guidance systems such as cutting-edge radar and television cameras enabled missiles to capture and distinguish prescribed targets so that they could score a hit. It is technically possible to make such equipment in combination with document-filing systems using video cameras and laser disks sold on the open market. GPS is used in a variety of civilian areas such as marine, aviation, and automotive navigation as well as verification of positions and is also used to provide landing instructions to civilian aircraft. Thus, even if war breaks out in the future, it will not be possible to drop the precision of the system or suspend the transmission of signals. There are plans to build a GPS satellite system dedicated for civilian use during the 21st century and the United States has already placed in operation a system that enhances navigation by transmitting civilian-use signals via the frequency-modulating (FM) broadcasting network. Probably fewer than 10 nations can make GPS receivers to mount on missiles at the present time, but 10 or more nations can install such receivers on missiles if they were able to acquire them. Initially, the Missile Technology Control Regime (MTCR), designed to prevent proliferation of missile-related technology, was implemented to control ballistic missiles with a range of 300 kilometers and a payload of more than 500 kilograms, rocket launchers, and scientific observation rockets, but was later extended to control of all kinds of missiles, including cruise missiles because of this sort of expanded threat. Possession of such long-range missiles with precision guidance capabilities and the suspicion of such possession has worsened regional military instability and encouraged competition in military expansion.

Presently, there are many high-tech systems and materials that were born as the result of weapons development. Concurrently, it is a fact that many technologies developed for civilian use have military value. This is especially the case with electronics, where there is little distinction between military and civilian uses. Such items as computers, liquid crystal displays, high-definition television (HDTV), and superconductivity technology have very high military value and the United States treats them as affecting national security. Carbon fiber was originally developed as an aircraft composite material and was used on aircraft wings and fuselages and missile fuselages. Japan, which imported that technology, expanded its use to fishing poles and golf clubs, increased production substantially, dropped prices, expanded further the application of the technology and now handles 90 percent of world production. Carbon fiber has strong tensile strength and is used on such items as flywheels, which rotate at high speeds and retain energy and are used to perform similar functions on the

bodies of centrifugal systems used to concentrate uranium. Iraqi nuclear weapons development projects included the testing of centrifugal systems with a carbon fiber body.

Leadership Role Sought of Japan

It is very difficult to completely prevent the application of such materials and technology to military and weapons uses. If controls become too stringent, they will serve as barriers to the technical and economic growth of developing nations and stifle the economic competitiveness of exporting countries.

Rocket technology used in launching civilian satellites have much in common with long-range military missiles. A minority of leading nations do not have the right to monopolize the capability to launch satellites. But, that does not mean that we can disregard increasing instability occasioned by the proliferation of weapons of mass destruction and other types of weapons. Technically advanced nations and nations enjoying economic prosperity because of exports must assume internationally responsible positions. Accordingly, export controls over weapons-related technology must be administered in coordination with diplomatic and economic efforts. Unless the situation calling for the need for such weapons is eliminated, nations sensing a need for ethnic survival will acquire and develop weapons no matter the sacrifice or effort required. As long as Japan possesses the high technology and enjoys the fruits of economic prosperity derived from the export of such products, it has the obligation to play a leadership role in the international arena.

Corporate Role in Control System

*932A0270C Tokyo TSUSAN JANARU in Japanese
Jun 93 pp 17-19*

[Article by Satoshi Kitamura, vice president Hitachi, Ltd.]

[Text] I. International Situation and Corporate Export Controls

A major change in the international political situation has been occasioned by the end of the East-West cold war structure evolving from the central roles played by the United States and the Soviet Union. Because of the occurrence and expansion of regional disputes based on territorial, ethnic, and religious reasons which were restrained by the cold war structure, there has been increasing concern about the proliferation of nuclear, chemical and biological weapons of mass destruction. Such concern has been accompanied by a rapid strengthening of an international move to prevent the proliferation of weapons of mass destruction.

On the other hand, COCOM [Coordinating Committee on Multilateral Export Controls], in connection with the end of the cold war structure, converted its past role by

holding a "COCOM Cooperative Forum" and is undergoing a major change wherein COCOM participating nations and COCOM target nations cooperate in taking measures to cope with new threats to peace.

At Japanese companies internal export control systems have been established to include the establishment of compliance programs and the administration of controls of a high level on an internationally comparable basis. Recently, widespread awareness is being created in Japanese companies of the importance of nonproliferation export controls accompanying changes in international situations and is being backed up by the implementation of positive actions.

II. Export Controls at Hitachi, Ltd.

A. Export Control System

At our company, in response to the August 1987 request by the minister of international trade and industry, the "Standards for Conduct of Company Affairs of Hitachi, Ltd." serving as the basic policy for the conduct of employees, was revised, and it now declares, "We are aware that the preservation of international peace and security is indispensable in the maintenance of confidence of our nation's industry as well as the nation as a whole and shall abide by international trade-related laws and regulations," and we shall execute the business of the company observing the basic doctrine of "basic principles and justice" and "greater concern for right and wrong rather than profit or loss."

Also, our company established an "Export Control Headquarters" reporting directly to the company president. As an overall companywide control point, the Export Control Headquarters manages and implements programs and plans and when necessary seeks reports, conducts investigations, and directs improvement actions. The head of the Export Control Headquarters is a representative director-vice president who for the purpose of ensuring the conduct of export control functions has established and executes export control functions through an export control system designating a department head for each operational division, plant, branch office, and research center who assumes responsibility for such controls for each such activity. Further, Hitachi has implemented a divisional concept which is product-oriented and export controls are handled by the respective product-oriented divisions under delegated authority and direct supervision of the respective operational division heads. And the respective operational division head is obligated to give priority to discharging export control duties over other duties.

B. Compliance Program

In October 1987, the "Export Control Regulations for Strategic Goods" was established at the corporate level and registered with MITI for the purpose of ensuring compliance with trade-related laws.

Each operating headquarters, plant, and research center has established and administers controls in compliance with the guidelines issued by the Export Control Headquarters as a means to implement the above regulations.

1. Classification of Products

Each operating division prepared a "classified list" of all products and technology offered by Hitachi to distinguish whether they fell in the strategic material category and for use at the time inquiries were received for potential orders from customers to determine whether items being ordered were subject to export controls. At the present time, 200,000 items are classified and registered in the computer system.

2. Customer Screening

In cases where it is determined that items under inquiry and reflected on the "classified list" are subject to controls, the applicable operating division enters information on the "client check sheet" covering whether the prospective client is listed on the transaction prohibited or cautionary "client investigation list" or falls in the red flag indication (dangerous transaction) category and obtains the approval of the applicable operating division chief.

3. Prevention of Illegal Circuitous Exports

Contracts or confirmations covering transactions with clients for materiel subject to controls are reviewed collectively or individually to ensure against illegal resale actions and such reviews are conducted on 99 percent of pending transactions.

4. Control of Shipments From Plants

Export of material subject to controls is effected after the head of the operating division obtains approval from the operational headquarters chief, and at the time of the shipment from the plant, the materiel is checked again for applicable controls, verification of material against export permit and related documents, and thorough action is taken to prevent misroutings in the handling of the material at the point of exit from the country.

5. Export Control Training

An export control training system is established to include the preparation of a periodic training plan and the implementation of in-house training in order to familiarize employees with export controls and attain compliance with export-related laws and regulations and related company regulations. Since 1988, a total of 101,956 employees have been trained in export controls. We have also revised training programs and tools in connection with the shift towards nonproliferation-type export controls.

6. Monitoring

Exports of material subject to controls is normally handled as the responsibility of the operational headquarters

chief, but Export Control Headquarters monitors them to ensure compliance with regulations and submits reports to company officials. Such actions lead to close coordination through monthly reports from the operational headquarters chief and the conduct of periodic meetings.

7. Audit

Audits to ensure compliance with foreign exchange laws and export control regulations are conducted in the form of operating division chief audits, internal audits, and external audits. The operational headquarters chief performs an annual audit of program implementation in operating divisions, plants, and business divisions under his control and submits reports to the Export Control Headquarters chief. Additionally, the Audit Office normally performs an internal audit, including an audit of export controls, arranges for an on-site audit by the Export Control Headquarters, and, when determined necessary, arranges an audit by outside auditors.

8. Guidance for Affiliated Companies

With the exception of affiliated companies that do not handle material subject to controls, export control systems and export control regulations have been established and implemented at 131 affiliated domestic companies and at 34 affiliated overseas companies. Aside from receiving annual reports of surveys of export control implementation, periodical export control liaison meetings are held and individual company inspections are conducted.

C. Implementing Plans Emphasizing Export Controls

1. Risk Management System

Aside from implementation of control regulations, this company, since September 1989, has compiled an "Export Control Manual" and has emphasized risk management. The respective operating divisions aim for the elimination of incidents relative to export controls by establishing, implementing, and following up on plans targeting areas of potential mishaps.

2. Appropriate use is made of special comprehensive export permit systems and comprehensive export permit systems.

Hitachi, in the past, has applied for 10,000 individual export permits annually, but the use of these two systems has enabled the elimination of 85 percent of the individual permit applications, thus providing for substantial simplification of procedures. These systems provide for appropriate autonomous controls by exporters and, although they impose a variety of conditions relative to implementation, intracompany standards covering such conditions are established and are being fully implemented.

3. Automation of Export Controls

In the past, the applicability or nonapplicability of controls was determined by data entered into a computer system, and the system has been expanded to include nonproliferation-type export controls providing for a company-wide computerized export control system known as HISPEED which is scheduled for initial operation in the near future. Additionally, the company is about to embark on the use of its on-line export permit system linked to MITI which is currently undergoing tests.

4. Global Export Controls

Since Hitachi conducts its operations on a worldwide basis, it has a need to be responsive to worldwide events and laws and regulations of the respective countries in performing its businesses. Our company maintains contact with local governments in areas where it operates, endeavors to maintain a current understanding of the situation, and manages its export controls accordingly. Further, amidst the rapidly changing international situation, the Hitachi Group has worked to obtain the proper understanding of export controls by overseas affiliates and since 1988 has conducted 15 export control seminars attended by the Export Control Headquarters chief which have been held with the support of respective governments in the United States, Europe, and Asia to train officials of overseas affiliates. Already, the seminars have covered 733 affiliates and 1,561 employees.

D. Independent Nonproliferation-Type Export Controls

Export controls have changed primarily from COCOM-type to nonproliferation-type controls in response to changes in the world situation and already the United States, Britain, and Germany have implemented catchall regulations. Even in Hitachi, we have beefed up autonomous nonproliferation-type controls and have designated independently controlled materiel and technology other than those previously designated under export controls as well as regions identified for special control, and we perform a verification of end user or end use through the use of transaction review sheets.

III. Future Export Controls and the Role of Business

I hear that another revision of the nonproliferation regulations system is being considered based on the report of the Weapons-Related Trade Control Division of the Industrial Structure Advisory Council submitted in March, but in order to ensure the new regulations are coordinated with those of foreign nations and to ensure their effectiveness, we need to clearly establish the scope of the regulations, especially as they pertain to specific provisions for geographical areas subject to controls, provisions for exclusion of specific material, and limitations on responsibility for investigations.

There is a need in Japan, which is engaged in the production and export of a large variety of industrial products, to establish a weapons-related export control system that can be effectively implemented by exporting

companies such as ours to ensure that such products are not used in the development and manufacture of weapons of mass destruction.

In the past, COCOM-type controls could be used to attain intended objectives by controlling exports of regulated material destined for target nations, but in the case of nonproliferation-type export controls to prevent proliferation of weapons of mass destruction, there is a need to verify end users and end use. Further, complex and high-level controls are required, such as the necessity to bring under export control such civilian use materials as those falling outside of internationally agreed-upon items.

As for business firms, there is the need to establish a compliance program, designate export control officers and verify end users and end use and to take appropriate actions for non-proliferation-type export controls such as the improvement of intra-company transaction review systems, training and audit systems, overseas guidance systems and management systems.

To establish a proper understanding and effect appropriate enforcement of our nation's export control-related laws and regulations in order to contribute to the maintenance of international peace and security are logical responsibilities of business, but when a company's management activities are not restricted to the domestic arena and have a broad impact on international society through international deployment such as exports and overseas production, nonproliferation-type independent controls based on an international perspective as a company will become increasingly important in the future as a means to avoid international criticism.

Future of Export Controls

*932A0270D Tokyo TSUSAN JANARU in Japanese
Jun 93 pp 20-23*

[Article by Exports Department, International Trade Administration Bureau, MITI]

[Text] COCOM [Coordinating Committee on Multilateral Export Controls] controls have been implemented in the area of weapons-related export controls with the objective of restricting the flow of strategic materiel to the Communist countries for the purpose of preserving the military security of the free nations of the West, but we now face the need to effect radical reforms on an international scale because of the collapse of the East-West Cold War structure.

This article will discuss the future of weapons-related exports control as affected mainly by changes in the international political situation.

I. Changes in the International Situation as They Relate to Military Security and Progress in International Cooperation

A. Changes in International Situation as They Relate to Military Security

Movements in world military security since World War II have evolved mainly between the United States and the Soviet Union—superpowers with differing political-economic systems—amidst a kind of stabilized world order known as the East-West cold war structure, but the collapse of the Soviet Union at the end of 1991 signaled a nominal and real end to the cold war structure, and the international political situation has since undergone a major change.

The collapse of the Soviet Union has been followed by moves toward conflict resolution and peace in Central and South America and Africa on the one hand, but there is fear that regional confrontations and disputes based on territory, natural resources, and ethnic and religious concerns which had been constrained by U.S. and Soviet superpower influence during the East-West cold war will intensify. Such fears have already become reality in certain sectors, as can be seen in the Iraqi attack on Kuwait and disputes erupting in the former Yugoslavian and Soviet regions.

The Gulf war and situations in the former Soviet states and Asian regions after the cold war have revealed moves to acquire nuclear, chemical, and biological weapons of mass destruction and delivery vehicles such as missiles and moves to sharply increase accumulations of conventional weapons. These moves have increased fears that such moves would tie into regional confrontations and disputes and intensify regional instability.

Inspections by the International Atomic Energy Agency (IAEA) since the Gulf war have revealed that Iraq had plans to secretly manufacture nuclear weapons. Additionally, inspections by the United Nations confirmed that it was manufacturing chemical weapons. Further, it became clear that equipment exported from nations of the Western sphere had been used in the manufacture of weapons.

Recently, it was feared that North Korea had intensified past efforts at development of nuclear weapons and its declaration to withdraw from the nuclear Non-Proliferation Treaty (NPT) served as a major shock to international society as a challenge to its efforts at nonproliferation of nuclear weapons.

On the other hand, a statement by leaders of South Africa revealed that it had possessed nuclear weapons in the past.

In the former Soviet republics, moves being made to earn foreign currency through the export of conventional weapons and there is fear that there will be an exodus of technicians who once engaged in research and development of weapons of mass destruction.

In Asia, we see the accumulation of conventional weapons in response to changes in the military security environment marked by the end of the cold war. To begin with, Asia does not have a multilateral military security system like that in Europe because it lacks unity thanks to diverse and complex political and ethnic elements and a multitude of national interests and military security concepts. Further, the region has more than a few unresolved problems such as that existing in the Korean peninsula and the Spratly Islands and it has inherent potential for regional disputes. Factors for accelerated procurement of conventional weapons have been changes in defense policy by the United States which had played a central role for the military security of the region and the unavoidable need for the respective nations to shoulder responsibility for military security of their own countries. It is feared that such sharp accumulations in conventional weapons will serve as a factor for increasing instability in the region.

B. International Cooperation Aimed at World Peace

Moves are being made to resolve and prevent regional disputes through international cooperation, and there is a deepening awareness of the importance of unified international cooperation to maintain and secure world peace under such changes in the military security environment.

First, the United Nations is beginning to play a greater role than in the past in the maintenance of world peace. During the Gulf war, the United Nations played a central role under which various nations coordinated efforts to resolve the dispute by passing resolutions in the Security Council to censure or impose sanctions. In such areas as Cambodia, the United Nations is playing a major role in regional stability through such activities as UN peacekeeping operations (PKO).

Second, there are moves designed to secure regional military security in response to changes in the military security environment since the end of the cold war. Europe is now seeking establishment of a new regional collective military security system centered on the Conference on Security and Cooperation in Europe (CSCE), the North Atlantic Treaty Organization (NATO) and Western European Union (WEU) as a replacement for the former NATO versus Warsaw Pact Organization (WPO) scenario. Asia is seeking a cooperative effort at regional military security as manifested by the awareness of the importance of promoting regional political and military security dialogues to strengthen peace and stability in the Asia-Pacific region as reflected in Prime Minister Miyazawa's policy speeches made during his tour of four nations of the Association of Southeast Asian Nations (ASEAN) at the beginning of 1993.

Third, preventing the proliferation of weapons of mass destruction is indispensable to the military security of the world in this changing military security environment and a renewed international awareness of the importance of export controls has been created. This awareness

has been accompanied by a shift in emphasis from former COCOM-type export controls regulating exports of high-tech products to the Communist sphere to military security export controls consisting of export controls (nonproliferation-type export controls) designed to prevent the proliferation of weapons of mass destruction and missiles and the excessive accumulation of conventional weapons, along with an effort to strengthen such controls on a worldwide scale.

At the United Nations, we can see establishment of a UN Registration System for the International Transfer of Conventional Weapons of 1991 and moves to develop an agreement establishing the Chemical Weapons Prohibition Treaty of 1992. Further, in terms of international export control systems for the purpose of preventing the proliferation of weapons of mass destruction, we have seen an increase the number of participating nations in such systems as nuclear supply nation conferences, Australia Group, and Missile Technology Control Regime (MTCR), and a sharp increase and reinforcement of regulated products during the past several years.

Further, in addition to implementing export regulations in compliance with international agreements to enforce nonproliferation-type export controls, advanced nations have acted independently to reinforce weapons-related export controls. The United States, Britain, and Germany have independently added to regulated-items lists those items which are not on the internationally agreed-upon lists, but which have a relatively high potential for contributing to the development and manufacture of weapons of mass destruction. Additionally, even on items of a wide range not found on the list of regulated items, there is an awareness of the importance of regulation and when an exporter is aware that an item will be used in the development and manufacture of weapons of mass destruction, he follows so-called "know" regulations which require a permit from the appropriate government agency.

II. Issue of Future Weapons-Related Export Controls

A. Necessity for Complex, High-Level Controls

Nonproliferation-type export controls are aimed at preventing the proliferation of weapons of mass destruction and excessive accumulation of conventional weapons, unlike COCOM-type export controls which restricted exports regardless of end use with the judgment that it was unavoidable to cause secondary effects such as a delay in the target nation's economic development. Accordingly, nonproliferation-type export controls require complex and high-level controls to confirm final use and final end user in order not to obstruct the economic development of the target nation.

B. Necessity for Renewed International Cooperation

Detailed international agreements have not necessarily been adequately formulated concerning procedures to implement non-proliferation-type export controls. Accordingly, there is a need to promote international

cooperation and enhance the effectiveness of regulations by such measures as the common use of intelligence and the establishment of operating guidelines.

Further, as a means to enhance the effectiveness of controls, we should familiarize countries with a given industrial capacity, such as the countries of the former Soviet Union, East Europe, Asia, and Central and South America, of the necessity for export controls, encourage participation in international weapons-related export control systems, and as a premise to such participation assist such nations in the establishment of export control systems.

C. Necessity for Expansion of Nations Targeted for Control

There is an increasing awareness that primary supplier nations of industrial products such as our nation should take early action to supplement existing controls to cope with the increasing fear that widely available material other than internationally agreed upon items with comparatively low use strategically will be diverted to the development and manufacture of weapons of mass destruction.

III. Policy Status of Weapons-Related Export Control and Its Importance to Our Nation

A. Status in Terms of Military Security Policy

Maintenance and establishment of world peace and order cannot be achieved purely through weapons-related export controls, but must be collectively considered through diplomatic efforts such as reinforcement of UN functions, building regional military security systems, and promoting dialogue between disputants, and other policy actions such as removal of unstable factors in specific nations through economic cooperation and arms control and arms reduction. Weapons-related export controls are very effective and important as one segment of arms control, but they must not be considered as a self-contained policy enabling complete prevention of the development and manufacture of weapons of mass destruction and the excessive accumulation of conventional weapons, but a system which contributes to world peace through the mutual effects of a variety of other policy measures.

Further, export controls exercised over the military security sector differ from economic sanctions in that their purpose is to prevent the possession of weapons of mass destruction and excessive accumulation of conventional weapons, and is not intended to restrict the economic activities of targeted nations. Rather, the provision of economic progress in such nations often plays an important role in preventing their isolation and in removing destabilizing regional factors, and there are times when it is appropriate to provide economic and technical assistance to the targeted nation. From this perspective, in administering export controls, it is necessary to consider maximum avoidance of obstructions to economic progress.

B. Importance of Export Controls for Japan

Considering the production and export of a large variety of industrial products by this nation, the future calls upon us to build an effective export control system so that suspect nations will not be able to use Japan's products to develop and manufacture weapons of mass destruction. When we consider that our nation is able to enjoy the benefits of economic prosperity because Japan attained economic growth in a free and consummate international society, it is only logical that we play a positive role in the area of export controls.

IV. Direction of Future Policy

The foregoing situation calls for Japan to contribute to international cooperation on export controls and to establish domestic export control systems, and in September of last year we established and held discussions by the Weapons-Related Trade Control Division of the Industrial Structure Council. The report submitted by that division provides the following proposals on the future direction of specific policies:

A. International Role To Be Played by Japan

1. Establishment of an international weapons-related export control system. Coordinate control methods with various nations and adjust differences with export control systems of various nations.
2. Promotion of international cooperation on conventional weapons export controls. Exert efforts to influence suspect nations to reinforce conventional weapons export controls.
3. Cooperation with other foreign nations on establishment of weapons-related export control systems.

Japan should cooperate in the establishment of weapons-related export control systems in the former Soviet Union as well as Asian nations and encourage their participation in international weapons-related export control systems.

B. Establishment of Japan's Weapons-Related Export Control System

1. Status of Future Export Controls

- Introduction of controls concerning a broad spectrum of freight to prevent proliferation of weapons of mass destruction.
- Implementation of controls after improving and simplifying existing export controls.

2. Improvement of Government and Private Industry Controls

- Improvement of government agencies concerned through augmentation of personnel and an increase in system efficiency.

—Improvement of independent control systems of private firms through the review of internal company control systems.

3. Collection, Analysis, and Distribution of Intelligence

Intelligence on military security should be collected from a diversified spectrum of sources in the enforcement of nonproliferation-type export controls and analyzed, processed, and used appropriately.

Almost 3,000 Illegal Workers Deported in May, Jun

OW1408093893 Tokyo KYODO in English 0807 GMT 14 Aug 93

[Text] Tokyo, Aug. 14 KYODO—The Justice Ministry said Saturday [14 August] that 2,914 foreigners who stayed or worked in Japan illegally were deported to their home countries in May and June.

About two thirds of the illegal immigrants were men, the ministry said. The Tokyo, Osaka, and Nagoya immigration authorities sent many of them back in connection with other offenses such as prostitution, forging of passports and visas, and mass accommodation of other illegal immigrants. About 90 percent of the illegal immigrants worked without a working permit mostly at construction sites and in blue collar jobs in the metal producing and metal processing industry as well as the plastics industry, ministry officials said.

Many illegal workers were rounded up in areas with mainly small- and middle-sized companies, a trend the ministry already noted in previous surveys.

By country, the largest group of illegals sent home came from South Korea, at 643, they were followed by Malaysia with 517 and Thailand with 513 illegal immigrants. Iranians were the fourth-largest group with 434 sent home.

Cases connected to the violation of immigration laws were reported in 23 of 47 prefectures across the nation with a concentration in the three big conurbations of Tokyo, Osaka, and Nagoya.

Among the men illegal construction workers represented almost 80 percent, and most of them were from South Korea, Iran, and Malaysia in that order. More than 40 percent of the women, mostly South Koreans and Malaysians, were working as bar hostesses. Following were blue collar jobs in factories and prostitution.

Hosokawa, Business Community Comment on Cosmo

OW1308124793 Tokyo KYODO in English 1154 GMT 13 Aug 93

[Text] Tokyo, Aug. 13 KYODO—Leaders of the stock industry expressed regret Friday [13 August] at reports that Cosmo Securities Co. faces a financial crisis as a result of questionable operations to conceal investment

losses. Masaru Aratani, president of the Japan Securities Dealers Association, told reporters the case is "extremely regrettable" and therefore should never be repeated.

He said Daiwa Bank's absorption of the brokerage as its subsidiary is an exceptional step since existing law in principle bars commercial banks from engaging in stock-broking.

Minoru Nagaoka, president of the Tokyo Stock Exchange, expressed hope that Cosmo will be rebuilt as quickly as possible to restore the people's confidence in the market.

Calling Daiwa's takeover of Cosmo unavoidable for the reconstruction of the brokerage, Nagaoka urged other securities companies to learn a lesson from the incident and step up efforts for healthy growth of their business.

The opposition Liberal Democratic Party warned that Daiwa's takeover of Cosmo is problematical in light of the principle of ongoing liberalization of the financial market. A statement issued in the name of Policy Research Council Chairman Ryutaro Hashimoto warned the government and the securities industry against rushing to bail out problem companies and stressed the principle of self-reliance.

[In a related report, Tokyo KYODO in English at 1156 GMT on 13 August reports: "Prime Minister Morihiro Hosokawa said Friday he had asked the finance minister to take "appropriate steps" to deal with the financial troubles of Cosmo Securities Co.

"I asked the finance minister to take appropriate steps for the sake of sound development of the securities market," he told reporters in Kagoshima where he was visiting areas damaged by heavy rains. The Finance Ministry announced earlier in the day it has given Daiwa Bank the go-ahead to acquire Cosmo Securities in the first such deal in Japan."]

Banks Face 'Tough Times' With Deregulation Plan

OW1408005093 Tokyo KYODO in English 2346 GMT 13 Aug 93

[By Noriko Sato]

[Text] Tokyo, Aug. 14 KYODO—The hundreds of local credit associations scattered across Japan face tough times ahead as deregulation makes them vulnerable to competition from bigger banks.

Few of the third-tier "shinkin" banks and credit cooperatives, whose bread and butter is deposits and loans for small businesses and individuals, are equipped to compete with the diversity of services offered by regional banks.

Such competitors will be able to provide practically everything that the credit associations have to offer, said Mark Faulkner, an analyst at S.G. Warburg Securities.

"The broadly spread regional banks will be ready to exploit the opportunities at the local end of the market, and there will be nothing to stop them," he said.

By next year, when rates on ordinary deposits will be deregulated, credit associations will find it difficult to offer customers rates as high as the bigger banks can afford. The main prospect for the small institutions' survival, and one that always brings strong support from monetary authorities, is enlarging through mergers.

By next March, about five of the 434 shinkin banks and around 10 of the 386 credit cooperatives are expected to be absorbed through mergers. Some of the smaller, weaker institutions, however, could even be forced to shut down—and the usually supportive authorities might even let it happen.

Such moves have become more conceivable recently because of a rare plan to allow a bank to fail.

By October 1, Kamaishi Shinkin Bank of Iwate Prefecture, northern Japan, will be dismantled and its bad loans taken over by the regional Bank of Iwate and a firm jointly set up by Zenshinren Bank and other shinkin banks. The bank crumpled due to a local economic slump brought on by a shrinking fishing industry and the closure of a steel mill owned by Nippon Steel Corp.

The Finance Ministry and the Bank of Japan have mediated in the Deposit Insurance Corporation (DIC) granting funds to the Bank of Iwate to cover the cost of taking on Kamaishi's nonperforming loans.

By letting Kamaishi fail, the authorities have shown a slight change of stance in their attitude toward helping banks. "They showed that banks are not immune to failure and that the authorities are not going to be quite so supportive as in the past," said Faulkner.

Alicia Ogawa, an analyst at Salomon Brothers Asia, said the authorities sent out "a message to investors that some banks just are not going to be saved by rescue mergers."

Frail credit associations could well follow in Kamaishi's footsteps, she said, as "their reason for existence is becoming weaker" amid the wave of deregulation.

However, because Kamaishi was hit by a regional slump and not problems experienced nationwide since the collapse of the "bubble economy," it is difficult to say the authorities have abandoned their traditional mothering role, Ogawa said. She said attention must be given to what the Finance Ministry will do with institutions burdened by excessive stock investment in the late 1980s.

Since the Kamaishi case, DIC funds have been earmarked to help the absorption of a bank with bubble-related problems—Osaka Fumin Credit Cooperative by Osaka Koyo Credit Cooperative.

The DIC earlier funded the merging of Toyo Shinkin Bank with Sanwa Bank and the absorption of ailing Mutual Toho Sogo Bank by the regional Iyo Bank. Yet even if they [are] saved from liquidation, the undiversified credit associations will be hard-pressed to survive.

And it may not be so bad for regional banks to take over since the large number of shinkin banks and credit cooperatives translates to higher costs for customers, Ogawa said.

One advantage the smaller institutions have against their competitors are the personal ties to the community which make it easier for a local resident to borrow. But even this inevitably has drawbacks as it can lead to loans to unqualified people—a tendency that some observers say might have played a part in Kamaishi's failure.

North Korea

U.S. Religious Figure Arrives in Pyongyang

SK1908113093 *Pyongyang KCNA in English* 1043
GMT 19 Aug 93

[Text] Pyongyang, August 19 (KCNA)—Kim In-sik, chairman of the Korean Committee of the National Council of the Churches of Christ in the United States of America, arrived here today.

He was met at Pyongyang Railway Station by Kang Yong-sop, chairman of the Central Committee of the Korean Christian Federation.

Leaders Receive Departing Chinese Ambassador

SK1908110093 *Pyongyang KCNA in English* 1042
GMT 19 Aug 93

[Text] Pyongyang, August 19 (KCNA)—Premier of the Administration Council Kang Song-san, Alternate Member of the Political Bureau and Secretary of the Central Committee of the Workers' Party of Korea Choe Tae-pok and Chairman of the Supreme People's Assembly Yang Hyong-sop on August 19 respectively met and conversed with Chinese Ambassador to Korea Zheng Yi, who paid a farewell call on them.

Chinese Art Troupe Gives Premiere in Pyongyang

SK1908044893 *Pyongyang KCNA in English* 0418
GMT 19 Aug 93

[Text] Pyongyang, August 19 (KCNA)—The visiting Chinese art troupe gave its premiere in Pyongyang Wednesday.

Appreciating the performance were Vice-Premier and Minister of Culture and Art Chang Chol, officials concerned, working people in the city, Chinese Ambassador to Korea Zheng Yi and embassy officials and Chinese guests.

The program included instrumental music, dances, songs and acrobatic pieces.

The audience broke into wild cheers when the art troupe put on stage the dance "Girls Picking Tea and Butterflies" which had been performed by Chinese artists on the Korean front during the Fatherland Liberation War of the Korean people for soldiers of the Korean People's Army and the Chinese People's Volunteers, leaving unforgettable impressions upon them.

The folk dances "Spring Rain" and "A Spring Day" were loudly applauded by the audience for their thick national flavour and graceful rhythms. Instrumental concerts including a quartet presented well the noble emotion of the independent and creative people in national melodies to deeply impress the audience.

"Song of General Kim Il-song", an immortal revolutionary song of praise sung by a male vocalist, touched the heartstrings of the audience.

The acrobatic pieces "Foot-Trick", "Plastic Duet" and "Pole Feat" also delighted the audience.

A basket of flowers was presented to the artistes in congratulation of their successful performance.

Embassy in Cuba Marks Fidel Castro's Birthday

SK1908004193 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 15 Aug 93

[Text] A reception was held at the DPRK Embassy in Cuba on 13 August on the 67th birthday of Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba [PCC] and president of the Councils of State and Ministers of the Republic of Cuba.

Present at the reception were Ricardo Alarcon de Quesada, member of the Politburo of the PCC Central Committee and chairman of the National Council for the Cuban People's Sovereignty; Jose Ramon Balaguer, member of the Politburo of the PCC Central Committee and chief of the Ideology and International Affairs Department of the party Central Committee; Jorge Risquet, member of the Politburo of the PCC Central Committee and first secretary for the mayor of Havana [as heard]; Jesus Montane Oropesa, member of the PCC Central Committee and chairman of the Cuban Proreunification of Korea Committee and assistant to the supreme commander; Ernesto Melendez, member of the PCC Central Committee and minister president of the State Committee for Economic Cooperation; Manuel Vila Sosa, minister of domestic trade; Ruben Martinez Puentes, vice minister of the Revolutionary Armed Forces and commander in chief of the Antiaircraft Defense and Revolutionary Air Force; and other responsible functionaries from the party, mass and social organizations, and the military.

Also present were Kim Song-yong, our country's ambassador to Cuba, and embassy officials.

Speaking at the reception, our country's ambassador pointed out that he meaningfully celebrates with the fraternal Cuban people the 67th birthday of Comrade Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers of the Republic of Cuba. The ambassador said that Comrade Fidel Castro has devoted his entire life to the freedom and liberation of the Cuban people, holding aloft the anti-imperialism and anti-U.S. banner. He emphasized that the cooperative and friendly relations between the two countries would continue to develop and strengthen on the basis of the intimacy between Comrade Kim Il-song, the great leader of the Korean people, and Comrade Fidel Castro, the supreme leader of the Cuban revolution.

The chairman of the National Council for the Cuban People's Sovereignty spoke next. He said that the people of Korea and Cuba are happy people who have marched along the road of victory under the prominent and seasoned leadership of the great leader Comrade Kim Il-song and respected Comrade Fidel Castro, overcoming numerous trials and difficulties in the long and arduous road of the revolutionary struggle. He said that the Cuban people have a great respect and love for the great leader Comrade Kim Il-song, and that he wishes the heroic Korean people the new success in the revolution and construction.

State Circus Leaves for Netherlands, Germany

SK1708103793 Pyongyang KCNA in English 1022 GMT 17 Aug 93

[Text] Pyongyang, August 17 (KCNA)—The State Pyongyang Circus left here today to visit the Netherlands and Germany.

It was seen off at the airport by Kim Chong-ho, vice-minister of culture and art.

Overseas Koreans Hold Reunification Meetings

SK1808062693 Pyongyang KCNA in English 1509 GMT 17 Aug 93

[Text] Tokyo, August 15 [date as received] (KNS-KCNA)—A rally of Korean youth and students overseas for the strengthening of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and reunification till '95 was held in Tokyo on August 15.

The rally was attended by co-chairmen and leading officials of the overseas headquarters of Pomchonghangnyon and many Korean youth and students in Japan including representatives from various regions.

In his keynote report, Co-chairman Kim Chang-o denounced the South side's authorities for blocking the holding in Seoul of the third grand reunification festival of youth and students in the South and the North and abroad and set forth tasks for the Korean youth and students overseas to achieve the reunification till 1995.

Representatives from various regions in their speeches said what is important, above all, under the obtaining situation is firstly and secondly to further strengthen Pomchonghangnyon and achieve the reunification through the great unity of the whole nation. They called for the youth and students in the South and the North and abroad to go ahead vigorously to discharge their mission and role before the nation and history as a reunification vanguard by bringing together their patriotic intentions.

The participants passed a joint resolution of Pomchonghangnyon to be adopted by the overseas side with the North and South sides, a joint resolution of Pomchonghangnyon on the struggle for independent exchange and a letter to the U.S. President.

Meanwhile, the '93 third Grand Reunification Festival of Youth and Students for the Independence and Peaceful Reunification of the Motherland was held on August 14 and an enlarged meeting of the presidium of Pomchonghangnyon on the 14th and 15th in Tokyo.

Group in Japan Addresses Kim Tae-chung Case

*SK1908111293 Pyongyang KCNA in English 1027
GMT 19 Aug 93*

[Text] Pyongyang, August 19 (KCNA)—The Federation of South Koreans in Japan for Democracy and Unification (Hantongnyon) made public a statement on August 7 on the lapse of 20 years since the Kim Tae-chung kidnapping case.

The statement said that the Kim Tae-chung kidnapping case was a premeditated, criminal work of the "Central Intelligence Agency [KCIA]" at the moment, a political terrorism of the Pak Chong-hui group aimed at removing the political rival by stretching its crooked hands even to overseas.

It recalled that when the incident occurred, Koreans in Japan, broad sections of Japanese people and world public opinion fought demanding a probe into the truth behind it and his reinstatement, but the South Korean authorities and the Japanese Government ignored the just demand and hushed it up through "political settlements" twice.

It accused Japan of conniving at the Chon Tu-hwan military "regime's" attempt to rid itself of Kim Tae-chung in 1980.

It urged the South Korean "government" to thoroughly investigate and open to the public the truth behind the kidnapping case.

It also urged the Japanese Government to open to the public the document of investigation made by the police authorities in those days and apologize to Kim Tae-chung for the infringement on his human rights.

Daily: Japan 'Trying To Beautify Militarism'

*SK1908045493 Pyongyang KCNA in English 0423
GMT 19 Aug 93*

[“What Is Their Visit to Shrine For?”—KCNA headline]

[Text] Pyongyang, August 19 (KCNA)—NODONG SINMUN today in a commentary entitled “What Is Their Visit to Shrine For?” accuses the Japanese reactionaries of trying to beautify militarism.

The news analyst says:

Some cabinet ministers of the new Japanese Government on August 15 visited the Yasukuni Shrine and “consoled the souls” of the war criminals who met their end according to an unbiased judgement by history. The visit, whether individual or official, cannot be said to have been a right act.

This has naturally caused doubt of people about their view on the history of Japan's past aggression.

The Yasukuni Shrine is the place where the remains of top-class criminals of the war of aggression ignited by Japanese imperialism are enshrined. That is why the Yaskuni Shrine is the symbol of Japanese militarism and the visits of the successive government authorities of Japan to the shrine have been criticised as acts of praising the history of aggression of Japanese imperialism and agitating militarism.

The recent visit of some cabinet ministers of Japan to the Yasukuni Shrine can never be justified, either.

It is unreasonable and not understandable to anyone to claim that their visit was an opportunity of “repenting of the past crimes” and “reaffirming Japan's commitment to peace.”

If they truly want to break with the past, take the road of peace and win international trust, they must sincerely apologise to the times and history for the past crimes and wholly liquidate them and must not follow in the footsteps of the successive reactionary ruling quarters. This will be beneficial to Japan, too.

Congolese, Nepalese Leaders on Korean Socialism

*SK1908111393 Pyongyang KCNA in English 1020
GMT 19 Aug 93*

[Text] Pyongyang, August 19 (KCNA)—Congolese President Pascal Lissouba and General Secretary of the Central Committee of the Nepal Communist Party (United Marxism-Leninism) Madhav Kumar Nepal spoke highly of the Korean-style socialism.

The Congolese president referred to the development of friendly relations between the Congo and Korea when he met the Korean ambassador to his country on August 12, saying Korea is a developed country.

The respected leader Comrade Kim Il-song is a great man who is wisely leading Korea to develop uninterruptedly, not affected by any change of situation and fluctuation in the world, he said.

The Nepalese Party leader said when he met the Korean ambassador to his country on August 12 that the Nepal Communist Party has got great inspiration from the Korean people who are advancing beneath the banner of socialism under the wise leadership of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il, and it is struggling, looking up to Korea as a beacon.

He said that his party would always support and extend firm solidarity to the Workers' Party of Korea and the Korean people in their struggle for the accomplishment of the cause of socialism and national reunification.

Kim Il-song Sends Greetings to Hungarian Leader

*SK1908112893 Pyongyang KCNA in English 1041
GMT 19 Aug 93*

[Text] Pyongyang, August 19 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Arpad Goncz, president of Hungary, the occasion of the national day of the Hungarian people.

President Kim Il-song in the message sent warm congratulations to the president and people of Hungary on their national day.

Kim Chong-il Inspects Navy Memorial Sculpture

*SK1908043393 Pyongyang KCNA in English 2203
GMT 18 Aug 93*

[Text] Pyongyang, August 18 (KCNA)—The dear leader Comrade Kim Chong-il recently saw round the newly-built monument to the victory in the Fatherland Liberation War and spoke highly of the group sculpture of the subsidiary theme "In Defence of the Seas of the Fatherland".

The sculpture is on the theme of the feat performed by the seamen of a torpedo boat fleet of the navy of the Korean People's Army who sent the heavy cruiser "Baltimore" to the bottom of the sea and wrecked a light cruiser and a destroyer of the U.S. imperialists with four torpedo boats in July 1950, the early period of the Fatherland Liberation War, upon orders from the great leader President Kim Il-song, with matchless grit given by him.

Their feat was a miracle unprecedented in the world history of wars at sea.

The sculpture, 6 to 7 metres in height, 9 metres in length and 3.3 metres in width, depicts a scene of the seamen charging toward the enemy's warship, firing the last torpedo. The commanding officer, with one hand raised above his head and the binoculars in the other, gives an

order to fire a torpedo at the enemy's warship, a boat swain repeats the order and discharges the torpedo, burning with a death-defying resolve to dash into the enemy's warship, ready to dedicate his whole body as a torpedo, machinegunner has his wounded arm in a sling over his shoulder, a radioman quickly contacts with the unit. Their looks, so vivid that they look as if they were alive, concentrically shows the mass heroism of the valiant Korean People's Army soldiers determined to annihilate the enemy to the last man, their bodies becoming human bombs. The sculpture "In Defence of the Seas of the Fatherland" is hardening the death-defying resolve of the Korean people to bury whatever formidable pirates deep in the water and firmly defend the socialist fatherland if they pounce upon them again.

Daily Exhorts 'Heroes' To Add Glory to Republic

*SK1908111993 Pyongyang KCNA in English 1039
GMT 19 Aug 93*

["Korean People's Revolutionary Traits of Glorifying Tradition of Heroic Struggle"—KCNA headline]

[Text] Pyongyang, August 19 (KCNA)—"Heroes of the Republic should continue to add lustre to the immortal exploits they performed during the Fatherland Liberation War," the historical speech delivered by the respected leader President Kim Il-song at the national meeting of battle heroes on August 19, 1953, has served as a banner which has inspired the heroes of the Republic and all the Korean people to glorify the 40 years long history after the war as a heroic epic, overcoming the difficulties and trials in the spirit which they displayed during the war, declares NODONG SINMUN today.

The by-lined article dedicated to the 40th anniversary of the publication of his work says:

In the speech the respected leader highly estimated the feats performed by the heroes of the Republic for the party and the country in the period of the rigorous Fatherland Liberation War. He showed deep trust in them, encouraging them to continue displaying matchless heroism and devotion for the strengthening of the People's Army and the rehabilitation and development of the national economy, always conscious of the kindness of the party which made them heroes.

The Korean people fully displayed mass heroism in hearty response to the call of the great leader President Kim Il-song for continuously glorifying the feats of the victors who defeated the formidable imperialist aggressors.

They are now living in a worthwhile era in which anyone can become a hero and lead a heroic life.

The noble ideological and mental traits of the Korean people who live and struggle like heroes are fully demonstrated, first of all, in that they implement the instructions of the party and the leader, ready to go through fire and water, if necessary.

Let us become heroes, work miracles and perform feats in carrying into effect the plans of the great party and the great leader—this is a slogan of ardor and loyalty held high by the Korean people. They have added shine to the history of socialist construction guided by our party with heroic exploits under this slogan.

Their noble ideological and mental traits are eloquently displayed also in that they are steadfastly defending and glorifying Korean-style socialism in the spirit which they displayed during the war.

The Korean workers are increasing production and accelerating construction in the spirit in which they produced weapons and ammunitions by operating conveyor belt with their hands in the wartime. And the Korean agricultural working people are implementing the agriculture-first policy of the party in the spirit in which they increased agricultural production in the days of war. The transporters are working hard to carry more freights to the socialist construction sites in the spirit in which they ensured transportation in the wartime, while the intellectuals are faithfully upholding the party's policy of cultural revolution in the spirit in which they fought heroically, taking arms in their hands, instead of pens.

The dear leader Comrade Kim Chong-il wisely guides the Korean people to live and struggle like heroes and highly estimates even small feats performed by the party members and working people.

KCNA Reports Increase in Consumer Goods

*SK1908103493 Pyongyang KCNA in English 1006
GMT 19 Aug 93*

[Text] Pyongyang, August 19 (KCNA)—The output of mass consumption goods including cloth and shoes is on the steady increase at light industrial factories throughout Korea where the 40th anniversary of the Korean people's victory in the war was celebrated with significant achievements in labour. According to data available at the State Light Industry Commission, the consumer goods output showed a 9.5 percent gain in 20 days or more after the anniversary over the preceding same days. A 15.9 percent jump was reported in textiles and 89.9 percent in shoes.

The Sinuichu and Kusong Textile Mills lifted the textile output 20 percent by introducing modern and high-speed spinning and weaving machines and waging an energetic multi-weaver and multi-spindle tending movement.

The Pyongyang Silk Mill, the Pakchon and Yongbyon Silk Mills and other factories under the Korean Silk

Company have considerably boosted the output of silk yarn and fabrics by properly organizing working and giving priority to technical remodeling and supply of materials.

'Many People' Visit Victory Monument Daily

*SK1808062093 Pyongyang KCNA in English 1504
GMT 17 Aug 93*

[Text] Pyongyang, August 17 (KCNA)—The monument to the victory in the Fatherland Liberation War on the scenic bank of Potong River in Pyongyang is visited by many people every day.

The monument was completed on July 26 on the eve of the 40th anniversary of the Korean people's victory in the war.

The monument covering 150,000 square metres consists of the gate, a monument bearing the autograph of the great leader President Kim Il-song, a monument bearing a poem, sculptures of the flag of the Workers' Party of Korea and the colours, the sculpture of the main theme "Victory" and ten group sculptures of subsidiary themes.

The sculpture of the main theme "Victory" is the culmination of the monument representing the mass heroism, matchless braveness and indomitable fighting spirit of the Korean people and the People's Army.

The sculpture is 27 metres high, symbolising July 27, the day of second liberation when the Korean people defeated the imperialist allied forces.

The sculpture of the main theme depicts the indomitable spirit of the soldier of the People's Army holding aloft a fluttering flag of the DPRK. It reminds one of the imperishable feats of President Kim Il-song who led the hard-fought Fatherland Liberation War to brilliant victory and of the People's Army soldiers raising cheers on heights with their victory over the imperialist aggressors.

Especially, the submachine gun slung on his chest, the flag of the DPRK tightly held in his right hand, the left hand calling his comrades-in-arms to victory and the fluttering raincoat well show the unshakable faith and will of the Korean people to smash the despicable moves of the imperialists and defend the Korean-style socialism centred on the masses in the same spirit as they displayed in defeating the imperialist allied forces in the Fatherland Liberation War.

National Students Games Open in Pyongyang

*SK1908044293 Pyongyang KCNA in English 0414
GMT 19 Aug 93*

[Text] Pyongyang, August 19 (KCNA)—National games of students for "September 5 Prize" opened Wednesday.

The games is held once every two years to mark the day when the great leader President Kim Il-song published "Theses on Socialist Education," a historic work which

is a highly important guideline of educational work in Korea, on September 5, 1977.

More than 1,500 athletes selected in preliminaries of regions and events are competing in the games.

An opening ceremony took place at Kim Il-song Stadium.

Present there were Secretary of the Central Committee of the Workers' Party of Korea Kim Yong-sun and Vice-Premier of the Administration Council Chang Chol.

State Emphasizes Swimming for 'Strong Physique'

Builds Pool for Youth

SK1608232093 Pyongyang KCNA in English 1504 GMT 16 Aug 93

[Text] Pyongyang, August 16 (KCNA)—An outdoor swimming pool built on the Nungna Islet pleasure ground here is paying off profusely during the summer vacation. Situated in the middle of the River Taedong, the swimming pool serves as a good place for building the strong physique of school youth and children and enhancing their swimming pool.

It is not long since it opened, but the number of pupils and little children who can swim across the River Taedong up to 600 metres wide is on a sharp increase.

The swimming pool has four water tanks 1,250 square metres each, sand beach of 17,000 square metres, nine shower and bathing booths, toilets, swimming suit and life buoy lending rooms, cloak rooms and other subsidiary facilities.

The water tanks were built with luxurious materials to cater to the psychological characteristics and sentiments of children, and equipped with facilities to supply clean and pure water at all times.

Swimming instructors are working at the pool which can accommodate 2,500 to 3,000 children at a time.

KCNA on Water Sports

SK1908030493 Pyongyang KCNA in English 2157 GMT 18 Aug 93

[Text] Pyongyang, August 18 (KCNA)—The seas, rivers, lakes and swimming pools of Korea are animated with sports games of working people and school youth and children in the season of sea sports. The school youth and children across the country in their summer vacation are building up their bodies and minds with swimming, diving, water polo, boating, yachting and other games. Korea has set July and August every year as months of sea sports for its popularisation. The youth league organisations and schools at all levels organise activities in various forms and methods to make sea sports more popular. Training courses, demonstration

lectures and experiences-swap sessions are widely organised in different parts of the country for sports activities. Korea has favorable conditions for the development of sea sports as it is surrounded by seas on three sides and abounds in rivers and streams. Sea bathing places and sea sports facilities have often arranged on sea shores including scenic Songdowon, Oajon [as received], Soho and Sinpo on the east coast and Waudon on the west coast, and swimming pools built at all schools.

Artificial lakes are widely used for sports.

The Kyejong Senior Middle School in Kumchon County, North Hwanghae Province, in a mountain village far away from the sea has produced about 30 national club swimmers and won more than 640 medals and championship banners. This is a (?simple) instance of the popularised sea sports activities.

Sea sports clubs in different parts of the country make a positive contribution to the popularisation of sports.

South Korea

IAEA Says Pyongyang Proposes Inspection Talks

SK1808223593 Seoul KBS-1 Radio Network in Korean 2206 GMT 18 Aug 93

[DPA/REUTER from Vienna]

[Text] The International Atomic Energy Agency [IAEA] has announced that North Korea had expressed its intention to resume negotiations on nuclear inspections with the IAEA.

In a statement released yesterday, IAEA spokesman David Kyd said that on 17 August, the IAEA received a letter of invitation, signed by North Korean Atomic Energy Industry Minister Choe Hak-kun, proposing negotiations on nuclear inspections. He also said that the IAEA would hold discussions with North Korean officials in Pyongyang late this month or early next month.

He also said that the IAEA would accept the negotiations and send its official document expressing this to North Korea later this week.

Talks May Begin Late Aug

SK1908010193 Seoul YONHAP in English 0046 GMT 19 Aug 93

[Text] Vienna, Aug. 18 (YONHAP)—The International Atomic Energy Agency (IAEA) may begin talks with North Korea later this month on resuming fullscope nuclear inspections after seven months of refusal, spokesman David Kyd said Wednesday.

Dates were yet to be determined, but the first round of talks would be in Pyongyang and the second round in Vienna, where the IAEA is headquartered, Kyd said.

The nuclear watchdog announced that it had received a letter dated Aug. 17 from North Korean Nuclear Industry Minister Choe Hak-kun saying he was willing to accept an IAEA delegation to Pyongyang and asking for dates and the names of the delegates.

Kyd said the agency would accept the proposal and reply formally around the weekend.

The spokesman said the talks may start late this month or early next month, but IAEA sources predicted a delegation would be able to enter Pyongyang the weekend following Director-general Hans Blix's return from vacation early next week.

The Pyongyang-IAEA talks will be the first since all negotiations halted in February, when the IAEA demanded to see two key suspected nuclear sites in North Korea's Yongbyon complex.

The agency referred the matter to the U.N. Security Council, which adopted a resolution urging North Korea to comply with IAEA's demands.

IAEA officials cautioned against expecting immediate answers on pending issues, including access to the two undeclared sites. The more important point was that talk was resuming between North Korea and the IAEA, they said.

An IAEA inspection team was in North Korea on Aug. 3-10, but its activities were mostly limited to maintenance checks on installed monitoring equipment.

IAEA Team To See Pyongyang

SK1908133693 Seoul KBS-1 Television Network in Korean 1225 GMT 19 Aug 93

[Text] The International Atomic Energy Agency [IAEA] today decided to dispatch a four to five-member negotiation team to Pyongyang at the end of this month to discuss the nuclear accords with North Korea. This dispatch is in response to a request by the North Korean side.

The North Korean request for resumption of negotiations was one of the preconditions for third-phase talks between the United States and North Korea.

Correspondent Cha Man-sun reports from Vienna.

[Begin Cha recording] Negotiations between the IAEA and North Korea over the North Korean nuclear issue are expected to take place for three days from around 30 August. However, a stumbling block likely will be laid in the course of negotiations.

David Kyd, director of the public information department of the IAEA, today notified North Korea that the IAEA will send a four to five-member negotiation team to Pyongyang at the end of this month in accordance with the North Korean proposal. He said that the forthcoming negotiations will last for three days.

Director David Kyd said that the IAEA made this decision after carefully reviewing the North Korean proposal for sending a negotiation team to Pyongyang to discuss the nuclear accord issue. He stated that it is difficult at present to predict what the result of the talks will be.

The major agenda items of the forthcoming negotiations are expected to be the special inspection issue and issues of examining the 5-point differences that were disclosed as a result of inspection. They also likely will discuss sincere implementation of an ad hoc inspection [imsi sachal].

In particular, it was learned that the IAEA's negotiation team will consist of inspection experts whose level is higher than bureau directors who are policy-related decision makers.

North Korea's resumption of negotiations with the IAEA is intended to comply with one of preconditions for third-phase talks with the United States for improving relations. However, some people point out that this is a strategy designed to avoid in advance the international pressure that likely will increase with the approach of the IAEA's Congress in late September and the UN General Assembly. [end recording]

North 'Must' Consult South Before U.S. Talks

SK1908020793 Seoul YONHAP in English 0146 GMT 19 Aug 93

[Text] Washington, Aug. 18 (YONHAP)—North Korea must talk with South Korea as well as the International Atomic Energy Agency (IAEA) before the United States decides to hold another high-level meeting with it, an administration official said Wednesday.

The official, requesting anonymity, told a foreign policy briefing at the National Press Center that North Korea must keep its promise to start discussing inspection issues with the IAEA and with South Korea for denuclearizing the Korean peninsula.

Washington expected Pyongyang to engage in these discussions before a third round of U.S.-North Korea meetings, he said.

North Korea and the United States have met for two rounds of high-level nuclear talks since June, an inducement on the part of Western allies to keep the Communist country from leaving the Nuclear Non-proliferation Treaty and to accept continuous IAEA inspections.

Washington made clear to Pyongyang at the last round in Geneva that there would be no more meetings if the continuity in the IAEA safeguards accord is broken, the official said.

In what appears to be a major breakthrough, North Korea has notified the IAEA that it is to accept an agency delegation to negotiate inspections.

Observers here gave high ratings to North Korea's decision, calling it a progressive step to show it will comply with the promised points from the Geneva meeting.

'News Analysis' on North's Nuclear Stance

*SK1908092193 Seoul YONHAP in English 0845 GMT
19 Aug 93*

[YONHAP "News Analysis" by Chang Yong-sop: "N.K. Appears To Realize It Can't Drag Out Nuke Issue Any Longer"]

[Text] Washington, Aug. 18 (YONHAP)—North Korea appears to have realized that it can no longer drag its nuclear issue on without fulfilling the agreements it reached in the second round of its talks with the United States in Geneva on July 19.

Pyongyang has sent a letter to the International Atomic Energy Agency (IAEA) expressing its willingness to accept an IAEA delegation to Pyongyang for talks on resuming nuclear inspections after seven months of refusal, IAEA spokesman David Kyd said in Vienna on Wednesday.

In order to make the best use of its so-called "nuclear card," North Korea could have tried to delay the resumption of talks with the IAEA on nuclear inspection as long as possible.

Judging by recent international developments, however, it must have realized it could no longer do so.

First of all, North Korea promised the United States at their Geneva talks that it would start negotiating with the IAEA on the inspection of its nuclear facilities at an early date.

The United States has made it clear it will not hold the third round of high-level talks with Pyongyang unless North Korea begins negotiating with the IAEA as well as with South Korea.

On top of it, the IAEA is scheduled to convene a Board of Governors meeting in mid-September, to be followed by the United Nations' General Assembly session.

If North Korea had continued to delay its talks with the IAEA, international suspicion on North Korea's nuclear arms development would surely have become one of the main subjects of discussion at those meetings.

Moreover, the United States dangled another tempting carrot when it promised Pyongyang in Geneva that it would be willing to hold the third round of talks on topics including improvement of bilateral relations around Sept. 20, if there was progress on the nuclear issue.

Pyongyang, which dearly wants to improve ties with Washington, is pressed for time.

Following the Geneva meeting, North Korea had appeared to be trying to make the third round of talks an accomplished fact.

But North Korea has obviously come to feel the United States is firm in its resolution that there will not be any further meeting unless it negotiates with the IAEA and South Korea first.

Pyongyang had no other choice but to agree to meetings with the IAEA and Seoul.

In this context, there is a strong possibility that North Korea will respond positively to Seoul's proposal to resume inter-Korean dialogue.

Many analysts find it difficult to expect North Korea and the IAEA to reach any kind of agreement on IAEA inspection of the two suspected sites in the Yongbyon nuclear complex.

The two sides are standing far apart as North Korea is expected to bring up the "impartiality" of the U.N. specialized agency and the IAEA will press Pyongyang to implement the nuclear safeguards agreements that it has signed with the IAEA.

In addition, North Korea could take up the question of U.S. assistance in replacing its graphite-type nuclear reactors with those moderated by light water, further complicating the issue.

The United States has said it would study the possibility of extending assistance in reactor replacement only after suspicion over North Korea's nuclear arms development is dispelled.

North Korea, on the other hand, has indicated it plans to link the reactor question with IAEA inspection of its nuclear facilities.

Pyongyang has said that if Washington fails to provide it with assistance for replacing its reactors or tries to delay keeping the promise, it will have to take it that the United States is not interested in resolving the nuclear issue.

Because of the North Korean attitude, most experts and observers in both the United States and the IAEA are trying to attach a meaning to North Korea's finally agreeing to sit down for talks with the IAEA. Nothing more can be expected at this time, they say.

Many diplomats in Washington, while positively evaluating the North Korean proposal to talk as "a step forward," are expressing concern that Pyongyang might still be trying to use its "nuclear card" to wring as many concessions as possible from the United States including the permanent scrapping of the joint U.S.-South Korean military exercise "Team Spirit" and improvement in its relations with the United States.

In short, there will be no breakthrough in the nuclear impasse as long as North Korea refuses to show sincere efforts to resolve the question peacefully.

Seoul To Raise North Korean Rights With Russia

*SK1908125693 Seoul SEOUL SINMUN in Korean
19 Aug 93 p 2*

[Text] In connection with violations of human rights at the North Korean lumber sites in Siberia, the government has decided to raise the issue in future talks with Russia as the diplomatic interest of the international community increases.

As part of its diplomatic efforts concerning human rights, the government plans to maintain a system of coexistence with the international community in an attempt to propel the International Human Rights Committee to discuss the issue on a full scale.

A government official said on 18 August: "Russia apparently does not consider it as interference in its domestic affairs, since our government repeatedly expressed its interest in the issue and a change was made in the international community." "The government plans to treat the issue as a major point in future talks," he added.

He said: "The government had planned to raise the issue during the ROK-Russian foreign ministers talks held in Singapore; however, it failed to do so, since there were other important pending issues, such as the North's nuclear issue, to be discussed and time was running out." He added: "The government plans to ask Russia for continued interest in the matter, for the improvement of human rights conditions, and for the strengthening of the activities of the regional governments' supervisory committee."

The official said: "As far as we know, the parliamentary investigation group led by (Huvalov), chairman of the Human Rights Committee of the Russian Supreme Committee, last month inspected for the first time 16 lumber sites that were being run by North Korea." "The committee then uncovered violations of human rights and suggested closing some of the lumber sites to the regional governments. However, the suggestion was not accepted because of the regional government's financial difficulties. Instead, the role of the Supervisory Committee has been strengthened," he added.

Seoul Demands Compensation for KAL Downing

*SK1908053393 Seoul YONHAP in English 0519 GMT
19 Aug 93*

[Text] Seoul, Aug. 19 (YONHAP)—The Seoul government officially filed for compensation Thursday for the downing of a civilian plane 10 years ago in Soviet airspace, the Foreign Ministry announced.

A letter was delivered to the Russian Embassy in Seoul asking Moscow for restitution and bilateral negotiations on the issue.

A Soviet jet fighter shot down a South Korean passenger plane over Sakhalin on Sept. 1, 1983, and killed all 269 people aboard, including Japanese and Americans. The plane had invaded Soviet airspace, and Moscow insisted it was on an espionage mission.

It wasn't until September 1990 that Seoul and Moscow normalized relations. Korea had denounced Soviet action and asked for due compensation for the victims in 1983 at the United Nations, but this is the first formal demand to the government.

The International Civil Aviation Organization (ICAO) issued a second report in early June finding that the Korean Air Lines [KAL] pilot used the wrong navigation system but putting the Soviet fighter pilot at fault for not taking all warning procedures before he shot the jetliner down.

Seoul To Discuss Russian Loan Payment 22-25 Aug

*SK1908065493 Seoul YONHAP in English 0639 GMT
19 Aug 93*

[Text] Seoul, Aug. 19 (YONHAP)—Seoul will address rescheduling of Russian loan payments when Deputy Prime Minister Aleksandr Shokhin comes to South Korea next week, officials said Thursday.

Shokhin will visit Aug. 22-25 to attend Russia's national day at the Taejon Expo on the 23rd. He will be in Seoul the following day for meetings with Economic Planning Minister Yi Kyong-sik and Foreign Minister Han Sung-chu.

While in Seoul, he and Korean officials will extensively discuss Russia's repayment of loans and interest extended from 1991, officials said.

Seoul promised 3 billion U.S. dollars in economic assistance to Moscow. So far, 1 billion dollars in cash and 470 million dollars in tied loans have been delivered.

Although Korea is hesitant to be linked with last April's Paris Club decision, an official said Seoul would have to "take it into account."

The Paris Club decided on a two-year grace period for Russia's debt due for 1993 with five-year repayment period.

Daily Says Confusion Exists Over Team Spirit

*SK1808145193 Seoul CHUNGANG ILBO in Korean
18 Aug 93 p 2*

[Article by reporter Kim Chun-pom: "Confusion on the Resumption of the Team Spirit Exercise—Background of North Korea's Denial of ROK-U.S. Agreement"]

[Text] While many people are interested in whether North Korean-U.S. talks and North-South talks for resolving the North Korean nuclear issue will be held or not, there is also confusion on whether the Team Spirit

exercise, an annual joint military exercise between the ROK and the United States, will be held.

Domestic reports point out that the ROK and the United States have agreed to resume the Team Spirit exercise next year. They supposedly decided this during the working-level meeting of the ROK-U.S. Annual Security Consultative Conference [ASCC] held in Hawaii early this month.

However, North Korea, in a Foreign Ministry spokesman's news conference on 18 August, revealed that "the United States notified North Korea that it did not agree to resume the Team Spirit exercise."

Disclosing this fact, North Korea denounced the report on the resumption of Team Spirit as a press fabrication by the ROK side aimed at disturbing North Korean-U.S. talks.

Through what channel the United States conveyed its denial of the agreement to resume the exercise is not known. However, the North Korean Foreign Ministry spokesman's news statement greatly diminished the ROK position in dealing with North Korea and the United States to solve the North Korean nuclear issue.

On 15 June, before the working-level meeting of the ROK-U.S. ASCC was held, Robert Gallucci, U.S. assistant secretary of state, mentioned the possibility of resuming Team Spirit in an interview with PBS [the preceding acronym published in English], a public broadcasting network. This issue was also discussed at a working-level meeting between the ROK and the United States in Hawaii.

However, after North Korea rejected the ROK proposal for dialogue and showed a hard-line attitude toward the nuclear issue, the United States said that it had not announced the resumption of the Team Spirit exercise.

Some believe that the U.S. position is based on its judgment that the hard-line position of North Korea was prompted by an announcement of the resumption of this exercise. North Korea has consistently demanded the suspension of Team Spirit as a precondition for dialogue.

The United States informed our side many times of its position that since the issue of the Team Spirit exercise is a very important negotiation card, reports about this exercise should not be made public carelessly.

Therefore, if it is true that the U.S. side notified North Korea that it had not agreed to resume the Team Spirit exercise, such an act by the United States must be based on its strategic judgment that it wants to keep the issue of resuming Team Spirit as a useful negotiating card for continuing dialogue with North Korea and for resolving the nuclear issue.

This also can be regarded as a signal by the United States to stress the need for realizing the North Korean-U.S.

talks slated for September and to demand North Korea's sincerity in attaining success at the talks.

Meanwhile, both the ROK and the United States have a mutual understanding that they will be flexible in deciding on the resumption of the exercise, depending on the North Korean attitude. This flexibility depends on whether North Korea is willing to solve the nuclear issue.

It is the U.S. position that if North Korea shows a sincere attitude in negotiating with the International Atomic Energy Agency regarding the nuclear issue, in resuming North-South dialogue, and in talks with the United States, then the Team Spirit exercise may be suspended. On the contrary, if North Korea persists in maintaining its present hard-line attitude in all dialogue, the United States will resume the exercise next year.

Special Group Inspects Military Security

*SK1908094393 Seoul HANGUK ILBO in Korean
19 Aug 93 p 22*

[Text] The Special Inspection Group of the ROK Armed Forces revealed through its recent special security inspection that measures for preventing military secrets from leaking out have not been thorough and that there have been many problems in handling the military security business within the armed forces. On 18 August, the Ministry of National Defense began to carry out an overall institutional reform of the military security business, including the revision of the current regulations for the implementation of military security affairs.

The Special Inspection Group of the ROK Armed Forces conducted a special security inspection for two weeks, beginning on 19 July, and the inspection listed 16 vulnerable points. Some of them include the overclassification of the categories of classified military documents, the lack of security consciousness among those people who handle classified documents, and the lack of thorough measures for preventing military secrets from leaking out.

In particular, the Special Inspection Group pointed out that the security consciousness of those soldiers who are authorized to handle classified military documents has slackened and that, accordingly, thorough education in security and security inspection are very much needed.

The Special Inspection Group reported to National Defense Minister Kwon Yong-hae the result of its special inspection on 16 August. Accordingly, the National Defense Ministry instructed the Director of the Intelligence Command Kim Ong-nae to establish measures for rectifying and reforming the security-handling business at the National Defense Ministry and the Joint Chiefs of Staff.

Ministry To Reform Security

SK1908051293 Seoul THE KOREA TIMES in English
19 Aug 93 p 3

[Text] The Defense Ministry yesterday started to work on a sweeping improvement of the military security protection system including regulations for implementation of security affairs.

A senior official said that the ministry decided to improve the security system as the Special Military Inspection Group found in a rigorous probing of the security protection situation that the present system had many problems to be corrected.

The group conducted a two-week-long security inspection of key military commands and units of three services including the Marine Corps, beginning in the middle of July.

According to the official, the group proposed in a report on its inspection to the defense minister that the ministry correct 16 problems to help operate the security system with safety and effectiveness.

Among the problems are excessive classification of military secrets, shortage of a personal sense of security and vulnerability to leaks of secrets.

In the report, the group stressed a need for regular inspections and thorough education for related personnel, listing the slackened personal sense of security as a matter of greatest concern, emphasizing that such a laxity could lead to a "fatal and decisive loophole" of highly sensitive secrets.

On Monday, Defense Minister Kwon Yong-hae ordered Army Lt. Gen. Kim Hong-nae, director of the Defense Intelligence Agency [DIA] at the Joint Chiefs of Staff, to work out proper measures for improvement of the security system, the official revealed.

The ministry will also discipline security offenders found in the inspection, holding them responsible for violations.

The official added that the ministry had been pressed to thoroughly revamp the security protection system since Lt. Cmdr. Ko Yong-chol, a staff member of the DIA, was arrested in June for having passed classified military documents to Japan's Fuji-TV correspondent Masato Shinohara over the past three years.

Foreign Minister on Northeast Asian Security

SK1908102993 Seoul TONG-A ILBO in Korean
19 Aug 93 p 5

[Article by ROK Foreign Minister Han Sung-chu: "Multi-Faceted Security in Northeast Asia"]

[Text] When looking ahead to the Asia-Pacific region in the next century, we discover a future of the world filled with hope and uncertainty.

The future is bright because the vitality of the Asia-Pacific region will play a leading role in world trends and the ROK is geopolitically at the center of the Asia-Pacific region.

The future's uncertainty lies in the structural changes of the security environment of Northeast Asia with the decrease in U.S. participation in this region, the increase of Japan's political and diplomatic role, China's development, and Russia's chaotic situation.

Such great changes for our four neighboring big powers remind us of the situation during the latter days of the Choson Dynasty. It also reminds us of the difficult situation of that time. Yet we can discover two fundamentally different aspects from then.

First is the fact that our national strength has expanded to proportions that cannot be compared with the latter days of the Choson Dynasty. We have grown to be a leading country in the Asia-Pacific region, ranking 15th in the world in gross national product.

Second is the fact that mutual dependency between countries in this region has increased. During the latter days of the Choson Dynasty, our powerful neighbors pursued their geopolitical interests according to the law of the jungle. However at present, in addition to geopolitical consideration, mutual dependency is emerging as a decisive incentive in relations among countries.

When generally considering the new situation of mutual dependency which enhances our role, we know that in this situation, we can play roles that would have been impossible during the latter days of the Choson Dynasty or during the cold war period. In other words, we have been given the opportunity to unfold creative and active multifaceted security and diplomacy in the Northeast. Where multifaceted security is concerned, our role will increase all the more when our neighboring countries achieve mutual balance.

When talking of multifaceted security, however, we must pay attention to promoting it from the level of supplementing our allied relations with the United States. It is not a substitute for something else. Multifaceted security in the Asia-Pacific region can mainly be discussed from two aspects: multifaceted security dialogue in a large arena comprising the whole Asia-Pacific region and multifaceted security cooperation on a small scale in the small regions of Northeast Asia. Gradually, these two aspects will supplement each other.

Multifaceted security dialogue in the whole Asia-Pacific region has already started among the thirteen countries participating in ASEAN's expanded foreign ministers meetings. Beginning next year, the ASEAN Regional Forum will set sail among 18 countries when countries like China, Russia, and Vietnam join. We plan to actively participate in this multifaceted security dialogue of the Asia-Pacific region and promote its development. However, the Asia-Pacific region is too wide and diversified to promote intense security cooperation.

I believe that this kind of security cooperation is possible among small regions that have regional similarities. The most important region is the Northeast Asian region, where the four big powers surround the Korean peninsula at its center. The situation in Northeast Asia is an important factor influencing the security of the whole Asia-Pacific region. For this reason we presented the need to promote security cooperation in the small regions of Northeast Asia and sought to promote this through our new diplomacy.

This plan has been receiving positive response from important related countries we have contacted up until now. With the visualization of the security cooperation structure, concrete security cooperation such as establishing trust, control of armaments, and resolving disputes will be promoted. Moreover, we hope that multifaceted cooperation will also contribute to democracy and promotion of human rights in the Asia-Pacific region. This is to contribute to peace and prosperity in the whole Asia-Pacific region.

In the future, the problem of North Korea's participation will come up. We revealed that through our new diplomacy, we will not seek North Korea's isolation but ways for it to participate in the international order. The problem is North Korea's attitude. The Nuclear Nonproliferation Treaty and the International Atomic Energy Agency are important elements in forming the structure of international order. North Korea must dissolve its nuclear suspicions to clearly elucidate its attitude of participating in the international order. If North Korea takes this first step, the road for its participation in achieving peace and economic order in this region will open naturally. We are waiting for North Korea to make that kind of decision.

In Europe, countries within the European region are incorporated in multifaceted organizations such as the EC, the CSCE, and NATO, and are actively participating in these organizations. They contributed to wiping out mutual apprehensions and promoting trust. If countries such as Japan, China, and Russia promote multifaceted cooperation, it will bring about similar results. At the same time, U.S. participation in this region may increase.

Of course multifaceted cooperation is not the key to solving all problems in the region. However, it is the best way to turn future hopes into reality and eliminate uncertainty. The most important issues that face our diplomacy with the method of multifaceted cooperation are economics, promotion of the Asia-Pacific Economic Cooperation, and in security, the plan to form the multifaceted security cooperation structure in Northeast Asia.

President Orders Release of Kim Tae-chung Files

SK1908113193 Seoul YONHAP in English 1018 GMT 19 Aug 93

[Text] Seoul, Aug. 19 (YONHAP)—President Kim Yong-sam on Thursday [19 August] ordered the administration to make public all materials it holds in connection with former opposition leader Kim Tae-chung's abduction from a Tokyo Hotel 20 years ago.

"The incident was a case that occurred under the past authoritarian period. I see no reason whatsoever why the incumbent administration still has to hide them," Kim said.

The president gave the instructions after being told by Prime Minister Hwang In-song during a weekly briefing session that Democratic Party officials called on him last Tuesday to ask for the release of materials on the abduction.

President Kim told Premier Hwang to see to it that the administration fully cooperate with the Democratic Party's fact-finding efforts.

On the presidential instructions, Prime Minister Hwang told his aides to collect and turn over to the Democratic Party all abduction-related materials being held by government offices.

Board Alleges Misinformation of Former Presidents

SK1908070493 Seoul YONHAP in English 0556 GMT 19 Aug 93

[Text] Seoul, Aug. 19 (YONHAP)—The Board of Audit and Inspection [BAI] has revealed some information in its investigation of possible irregularities and policy manipulations during the administrations of Presidents Chon Tu-hwan and No Tae-u.

The information was revealed by a high-ranking BAI official Thursday when he disclosed the contents of questionnaires the BAI has sent to the two former presidents to conclude its investigation of alleged exaggeration by the Chon administration on North Korea's possible "water attacks" on the South and of suspected irregularities involving the yulgok military buildup program under the No government.

According to the BAI, Chon and his staff at Chongwadae [presidential offices] were likely to have overruled the Agency for National Security Planning when the agency submitted a report in 1986 that possible North Korean flood attacks on South Korea could not pose a big threat to the 1988 Seoul Olympic Games.

Ignoring the agency report, Chongwadae went ahead and started building the so-called peace dam to counter the North Korean "water attacks" by opening the flood gates of the Kumgangsan Dam North Korea was building in central Korea just north of the Demilitarized Zone.

The Chon administration had been suspected of exaggerating the North Korean "water threats" for a political purpose of maintaining its power. By whipping up anti-communist sentiment, the Seoul government built the peace dam on monetary contribution from ordinary citizens.

The BAI had been investigating to determine whether the Chon administration had actually deceived the people by exaggerating the North Korean threats.

The BAI wants to know whether Chon made the decision to build the Peace Dam despite the agency's report or whether someone had misled the president by tampering with the agency report, the official said.

As for the choice of the nation's next mainstay fighter aircraft, the BAI questionnaire pointed out, the presidential aides' report on the statistical data of McDonnell Douglas' F/A-18S and General Dynamics' F-16S, filed for No for his final decision, was identical to that compiled earlier by General Dynamics.

In other words, someone had tampered with the report and the BAI wants to know how President No arrived at his decision using that report, the BAI official said, requesting anonymity.

Intense public interest was focused on how the two presidents would reply to the BAI questionnaires since the BAI's investigation thus far had proved that there had been considerable "manipulation of information" during the decision-making processes by the two former administrations.

The BAI had said that if the two former presidents ignored the questionnaires or provided answers that do not make any sense, it would regard them as their "tacit admission" on those and other points the BAI had raised to them.

President Issues Order on 'Real Names' Finance

Assembly Group Approves Order

*SK1808121693 Seoul YONHAP in English 1117 GMT
18 Aug 93*

[Text] Seoul, Aug. 18 (YONHAP)—The National Assembly Finance Committee on Wednesday [18 August] afternoon voted for the presidential emergency order for real names financial transactions and guarantee of confidentiality.

The committee referred the approved bill to the Assembly Plenary Session which is expected to act on it Thursday afternoon.

Prior to the voting, Finance Minister Hong Chae-hyong told the committee that the government would step up control of external monetary dealings in a bid to prevent capital flight.

"The control, however, will be made to an extent that does not harm routine monetary handlings by industries and individuals," Hong said.

On the issue of whether to expand the ceiling of foreigners' stock investment, the finance minister said his office would handle the matter prudently taking into account such factors as stock market conditions, trend of foreign capital influx and the impact an expanded ceiling would have on money supply and the monetary market.

Assembly Approves Order

*SK1908071693 Seoul YONHAP in English 0655 GMT
19 Aug 93*

[Text] Seoul, Aug. 19 (YONHAP)—The National Assembly approved the emergency presidential order on real-name financial transactions and the guarantee of confidentiality in virtual unanimity at a plenary session on Thursday afternoon.

Rep. Kim Tong-kil of the splinter United People's Party cast the sole negative vote.

Before the vote, Finance Committee Chairman No In-hwan reported on his committee's deliberation of the decree the previous two days.

Both the ruling Democratic Liberal Party and Democratic Party offered their full support for the decree in speeches by Reps. Yi Sang-tuk and Kim Won-kil.

After approving the decree, the assembly adjourned and ended the five-day extraordinary session requested by President Kim Yong-sam for action on the emergency order he issued Aug. 12.

UPP Head Dissents

*SK1908100993 Seoul YONHAP in English 0910 GMT
19 Aug 93*

[Text] Seoul, Aug. 19 (YONHAP)—The ruling and opposition parties cooperated on Thursday [19 August] in approving the emergency presidential order on real-name financial transactions and the guarantee of confidentiality, but fell short of reaching unanimity because of a maverick.

Speaker Yi Man-sop asked if there was anyone who had an objection, and then tried to go straight on to say the order had been approved without any objections.

"If there are no objections...?" He intoned.

But United People's Party [UPP] leader Rep. Kim Tong-kil shouted: "No, no. There is an objection. I'm against it."

"I objected to approving the order because the invocation of the order could be unconstitutional," Kim explained later. "The United People's Party asked for an opportunity to speak against the order, but the request was ignored by force of numbers."

Both the ruling Democratic Liberal Party [DLP] and Democratic Party [DP] offered their full support for the decree in speeches by Reps. Yi Sang-tok of the ruling party and Kim Won-kil of the main opposition party, respectively.

Ruling party executives met at the office of party Chairman Kim Chong-pil to celebrate by themselves after the session, but expressed dissatisfaction at their failure to win a unanimous approval.

"It is somewhat strange," party spokesman Kang Chae-sop said. "The top leader of the United People's Party opposed while others in the party all approved."

"This may be the first time that the ruling and opposition parties have approved anything in virtual unanimity. But the objection of the UPP leader might be because the party is practising the democracy of advanced nations," Kim Chong-pil jokingly said.

Prime Minister Hwang In-song visited Democratic Party Chairman Yi Ki-taek to express the government's gratitude for cooperation in approving the order.

"The Democratic Party has insisted for a long time that the real-name financial transactions should be enforced. But it is still unknown if the system will succeed after all," Yi said.

Tax Administration To Audit Real Estate Market

SK1808045293 Seoul THE KOREA TIMES in English 18 Aug 93 p 1

[By staff reporter Yi Chang-sop]

[Text] The Office of National Tax Administration (ONTA) said yesterday it will initiate a full-scale audit of real estate, painting, antique and jewelry markets in a move to prevent the diversion of funds into speculation in the wake of the implementation of the real-name financial transaction system.

It said it will closely monitor overseas transactions of domestic firms to check whether they are fabricating export and import invoices to divert funds out of Korea.

Banks will be obliged to report individual remittances of 3,000 dollars overseas to the tax office, it said. Those who send more than 10,000 dollars overseas in a year will be put on the list, it said.

In meeting with heads of regional tax offices in Seoul, ONTA Commissioner Chu Kyong-sok said the tax office will initiate special investigations on to conduct a two-month crack-down on real estate speculation.

He said ONTA will set up 404 special task forces, consisting of 998 auditors, to conduct a two-month crack down on real estate speculation.

Names of well-known painters and buyers of expensive paintings will be under a close watch, he added.

They will pay a penalty if it is found that they have evaded taxes or if they fail to provide the source of their funds, he said.

Those buying real estate will be hit with a heavy tax unless they can provide evidence of their source of funds, he said.

Those who make withdrawals of more than 30 million won from financial institutions during the two-month grace period for converting false or borrowed names into real names, will be closely monitored and hooked into the data base for tax information, he said.

If they fail to provide the source of their funds, they will be levied with income, gift or inheritance taxes, he said. However, special exemptions will be given to salaried persons, those who own only one house and those who are self-employed unless they are engaged in real estate speculation or illegal transfer of wealth, he said.

Distribution 'Hit Hardest' by Real Name System

SK1908051093 Seoul THE KOREA TIMES in English 19 Aug 93 p 9

[Text] Store owners and distribution firm managers have been hit hardest by the sudden introduction of the real-name financial transaction system.

The distribution industry, which has already been shocked by the virtual opening of the domestic market on July 1 under the government's third-stage liberalization plan, has become hardest-hit victim of the system.

Especially, small- and medium-sized stores including supermarkets, chain stores, convenience stores and general merchandise stores are experiencing fund shortages most severely because the real-name system shut down the underground money market.

Those stores having been dependent on the curb market cannot find new ways of securing money. It is difficult for them to borrow from loan sharks because they do not want their real names used.

Min Chung-ki, executive director at the marketing department of the Korea Chamber of Commerce and Industry (KCCI) said, "The breakdown of the underground money market in the wake of the emergency presidential decree on banning aliases in all financial transactions is a fatal blow to owners of small and medium stores and distribution firms."

They secured funds by selling their promissory notes in the curb market in advance of their maturity. And about 40 to 60 percent of money supply for them usually comes from the underground money market, Min pointed out. He also said that store owners and small distribution firm operators will further plunge into credit crunches because the negotiating period of notes or bills will be prolonged from the present three to four months to five to six months.

The government on Monday came up with immediate measures to relieve financial difficulties for small and medium companies. The measures contained a 32-million-won rescue fund for small firms employing less than 20 workers including peddlers in open-air markets.

But Min said, "Small distribution firms and stores are not able to get access to the bail-out fund because only listed companies or qualified store owners with good credit ratings can benefit from it."

In addition to the financial difficulties, the distribution market will inevitably shrink further as firms and stores have to give and take receipts without fail when goods are traded.

Many distribution companies have often bought and sold without receipts in their attempt to evade value-added taxes.

But the ban on using false names in all financial dealings makes it hard to engage in the practice although the government cannot totally eradicate the tax loopholes.

The mandatory use of real names will also have an adverse effect on department stores and big distribution companies, though not serious compared with small firms and stores.

Some analysts predicted that sales of major department stores will likely decline by 20 percent on a year-to-year basis, combined with the overall economic downturn in the latter half of this year.

In particular, department stores are expected to suffer a decline in selling garments, household goods and electronic products.

A seasonal boom during the traditional Chusok holiday is not anticipated this autumn, businessmen said.

President Kim Yong-sam Receives Samsung Chairman

SK1908042893 Seoul YONHAP in English 0305 GMT 19 Aug 93

[Text] Seoul, Aug. 19 (YONHAP)—President Kim Yong-sam's private meeting with Samsung Group Chairman Yi Kon-hui on Tuesday [17 August] evening has spawned furious speculation about its purpose in political and business circles, though Chongwadae [presidential offices] insists Kim met Yi as the owner of the CHUNGANG daily news rather than the head of Samsung.

There was no need to attach special importance to the meeting as it was not Kim's first encounter with a business leader since his inauguration, a Chongwadae official said Thursday.

But considering Kim's reluctance to meet with business leaders and his resolution to smash the politico-business complex, he must have had an important reason for talking to Yi, observers say.

They note that the encounter closely followed introduction of the real-name financial transactions system, which Kim called the reform of reforms and said would help the economy out of the recession.

Knowing that successful implementation of the real-name system and economic stimulation require cooperation of the business community, especially the big groups (chaebol), must have changed Kim's attitude from negative to positive.

His economic brains, concerned by sluggish corporate investment in spite of their 100-day plan to boost the economy, reportedly advised Kim to meet the chaebol leaders and remove their anxieties about his economic policy.

Until recently, however, Kim had not given ear to such advice, saying it was premature, but after announcing the real-name system on Aug. 12 he must have begun to feel the need to solicit business leaders for their cooperation in the most important financial reform of his administration.

He must have thought his reform program would be frustrated if the real-name system aggravated the economy.

Kim also must have thought his meeting with a chaebol leader after the system took effect would not make anyone think he was taking political funds from a chaebol.

"President Kim has almost completely avoided meeting chaebol leaders since his inaugural pledge not to receive even a penny of political funds from businessmen, so his meeting with a chaebol leader now would not cause anybody to suspect his pledge to cut the collusive links between politicians and businessmen," an observer said. "He can now meet any chaebol leader without a concern about such public suspicion."

At a breakfast meeting on Aug. 14, Kim told members of the cabinet to meet business leaders to solicit their cooperation for early settlement of the real-name system, and said he would also meet them himself.

Why was Yi the first business leader Kim met, though?

Samsung is the most active and ambitious chaebol in management reforms and Yi is leading Samsung's reform program. He recently launched an ambitious reform to make Samsung one of the leading world businesses in the next five years.

Kim highly rated Yi's programs, and he heard Yi speaking to meetings of Samsung's overseas office managers on a video of these meetings.

A Chongwadae official said Kim would meet other chaebol leaders with leadership as good as Yi's to solicit their cooperation for early settlement of the real-name system.

'Rates Highly' Samsung Reform

*SK1908070393 Seoul YONHAP in English 0617 GMT
19 Aug 93*

[Text] Seoul, Aug. 19 (YONHAP)—President Kim Yong-sam met privately with Samsung Group Chairman Yi Kon-hui on Tuesday [17 August] and will meet with business leaders whenever he has time, presidential spokesman Yi Kyong-chae said Thursday.

"President Kim invited Samsung Chairman Yi to Chongwadae [presidential offices] last Tuesday and had dinner with him," Yi said.

"That means the president rates highly Samsung's efforts to push ahead with development of advanced technology and reform of consciousness in a desirable direction without a labor-management dispute."

The president's dinner invitation was to encourage the Samsung Group and to listen some good advice from Yi on the government's economic policy, he said.

Kim had instructed Deputy Prime Minister Yi Kyong-sik and other economy-related cabinet ministers to actively contact the business world, Yi said.

Association Reports on Light Vehicle Exports

*SK1908023793 Seoul YONHAP in English 0050 GMT
19 Aug 93*

[Text] Seoul, Aug. 19 (YONHAP)—South Korea exported 8,866 light vehicles with an engine capacity

below 800 cc during the first seven months of the year, compared to 903 in the same period last year, the Korea Automobile Manufacturers' Association (KAMA) said Thursday.

Daewoo Motor Co. shipped 4,666 Tico cars in the period, up 576 percent from a year earlier, and exports of Daewoo's Damas and Labo and Asia Motors Co.'s Towner and Towner King Cap surged 20-fold to 4,200 from 213 last year.

The brisk exports were attributed to the fact that the automakers turned to foreign markets following sluggish business at home and targeted countries in East Europe and Southeast Asia, KAMA officials said.

They forecast full speed ahead for advancement of light vehicles as well as knockdown goods as ground was already broken for an assembly line to produce 180,000 light vehicles a year by Daewoo, which is poised to set up more in Iran and Russia.

The Daewoo Tico, popular last year with the oil price hike, did relatively poorly at home, selling 31,369 so far this year, up 3.6 percent. Its share of the market shrank 0.7 percentage points to 5.4 percent.

Light vans and trucks numbered 23,580, up 9.7 percent, but are gaining popularity since LPG versions were introduced in April.

Burma

Than Shwe Receives Thai Defense Minister

*BK1308142993 Rangoon Radio Burma in Burmese
1330 GMT 13 Aug 93*

[Text] Senior General Than Shwe, prime minister of the Union of Myanmar [Burma], received a Thai goodwill delegation led by Defense Minister General Wichit Sukmak at the Protocol Chamber of the People's Assembly building at 1030 today.

Present were Lieutenant General Maung Aye, deputy commander in chief of the Defense Services and commander in chief of the Army; Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] and chief of the Office of Strategic Studies; Lt. Gen. Tin U, secretary-2 of SLORC, chief of No.1 Bureau of Special Operations, and Army chief of staff; Vice Admiral Than Nyunt, minister of health; Lt. Gen. Thein Win, minister of transportation; Brigadier General Lun Maung, minister of prime minister's office; U Ohn Gyaw, minister of foreign affairs; U Nyunt Swe, deputy minister of foreign affairs; and U Phone Myint, Myanmar ambassador to Thailand.

Present at the meeting together with the Thai defense minister was Wirasak Futrakun, ambassador of Thailand.

Thai Defense Minister, Delegation Depart Rangoon

*BK1608144093 Rangoon Radio Burma in Burmese
1330 GMT 16 Aug 93*

[Excerpt] [passage omitted on visit to Pegu] The visiting Thai defense minister, General Wichit Sukmak, and entourage left Yangon [Rangoon] by special aircraft at 1500.

They were seen off at Yangon airport by Prime Minister's Office Minister Brigadier General Lun Maung, Foreign Affairs Minister U Ohn Gyaw, Deputy Foreign Affairs Minister U Nyunt Swe, Thai Ambassador Mr. Wirasak Futrakun, and military attaches.

Singapore Minister, Delegation Continue Visit

Call on Government Ministers

*BK1808145593 Rangoon Radio Burma in Burmese
1330 GMT 18 Aug 93*

[Excerpt] [Passage omitted on visit to pagodas and places of interest] The visiting Singaporean minister and delegation later called on Lieutenant General Kyaw Ba, minister of hotels and tourism, at the latter's office on Sule Pagoda Road. Responsible personnel from the Department of Hotels and Tourism and Myanmar [Burma] Hotels and Tours attended the meeting.

At the meeting the Singapore delegation leader inquired with interest about the situation of the Myanmar hotels and tourism industry and expressed the need for more development in the transportation, communication, and hotel construction sectors to improve tourism. Minister Lt. Gen. Kyaw Ba explained matters relating to hotels, tourism, permission for foreign investors to build hotels, and other expanded entry points at the border areas apart from Yangon [Rangoon] and held talks on bilateral cooperation.

The visiting minister and party called on U Soe Tha, minister of communications, post, and telegraphs, at the minister's office at the corner of Theinbyu and Merchant Roads. Responsible personnel from the Myanmar Post and Telecommunications and the Directorate of Communications attended the meeting. At the meeting, cordial talks were held and views were exchanged on bilateral cooperation and development of post and telecommunication services in the country. [passage omitted on delegation members' visits to departments]

Received by Khin Nyunt

*BK1808141493 Rangoon Radio Burma in Burmese
1330 GMT 18 Aug 93*

[Excerpt] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council, received Commodore Teo Chee Hean, leader of economic investment groups and minister of state for finance and communications of the Republic of Singapore, and a high-level economic delegation at the Defense Ministry's Dagon House at 1400.

Also present at the occasion were Brigadier General Abel, National planning and economic development minister; Foreign Affairs Minister U Ohn Gyaw; U Soe Tha, communications, post, and telegraphs minister; Brig. Gen. Win Tin, finance and revenue minister; Thura U Aung Htet, director general of the Foreign Ministry's Protocol Department; U Kyaw Myint, charge d'affaires of the Myanmar [Burmese] Embassy in Singapore; and Singaporean Charge D'Affaires Mr. Anthony Chang Chai Tong. [passage omitted on dinner and attendance]

Talk With Minister of Forestry

*BK1708155993 Rangoon Radio Burma in Burmese
1330 GMT 17 Aug 93*

[Text] The visiting high-level Singaporean economic delegation led by Minister of State for Finance and Communications Commodore Teo Chee Hean called on Lieutenant General Chit Swe, member of the State Law and Order Restoration Council [SLORC] and minister of forestry affairs, at the ministers' office on Kabaaye Pagoda Road at 0830 today morning. They held cordial and frank talks on improving bilateral economic matters, cooperation in forestry development and timber-based industries, and commercial matters.

The visiting minister and party next called on Lt. Gen. Myint Aung, member of SLORC and minister of agriculture, at the latter's office on Natmauk Road. They held cordial and frank talks on agricultural investment in the development of rubber and oil palm plantations in the long term, the export of agricultural products as finished goods, and the sale of fresh vegetables, fruits, and flowers. The Singapore delegation said that to receive a regular quality and quantity of sesame and green gram exported from Myanmar [Burma] it is important to have consistent and stable export policies. The agriculture minister explained that in the export of some agricultural products, internal consumption have to be considered. But in future, since arrangements have already been made to increase production, he assured export policies will be stable.

The delegation next visited the furniture factories of Myanmar Timber Enterprise of the Ministry of Forestry. Later, the Singapore delegation viewed and studied the Kandawgyi Agricultural Museum of Myanmar Agricultural Enterprise of the Ministry of Agriculture. Agriculture Minister Lt. Gen. Myint Aung hosted a luncheon in honor of the delegation at the Agricultural Museum.

Continuing, the visiting minister and entourage called on Lt. Gen. Sein Aung, member of SLORC and minister of industry-1, at the latter's office on Kabaaye Pagoda Road. Responsible personnel from the Ministry of Industry-1 attended the meeting and held talks on increased bilateral cooperation in economic and industrial matters. Later, the visiting minister and party viewed the industrial products showroom on the ground floor. The visitors accompanied by U Win Zaw Nyunt, managing director of Myanmar Textiles Enterprise, visited garment factories No.3, No.5, and General Packing Factory No.2 in Syriam where they were shown around by responsible personnel.

The visiting delegation next called on Lt. Gen. Thein Win, minister of transport, at the Inland Water Transport Head Office on Pansodan Road at 1630 in the evening. U San Wai, deputy minister of transport, and responsible department personnel were also present. The delegation leader explained that many of its delegates are from economic organizations and shipping companies. He also noted the importance of transportation and communications in trading. The transport minister said they are interested in the overall development of the transportation sector and work is underway for the Yangon [Rangoon] port development project and construction of New Thilawar port. In air transportation, apart from the present Yangon airport, there is great interest in building international airports in lower and upper Myanmar. The delegation explained that increased tourism activities is appropriate and measures should be undertaken for tourists to enter Mandalay directly. He stressed if more tourists visited Myanmar, they could see Myanmar's situation and could bring in investments themselves. The minister answered that 19

August has been chosen as the date for talks between the Singapore Economic delegation and responsible personnel from the ministry.

In the evening, Forestry Affairs Minister Lt. Gen. Chit Swe hosted a dinner in honor of the visiting Singaporean minister and delegation at the Karaweik Hall; Transport Minister Lt. Gen. Thein Win hosted a dinner in honor of Singapore Trade Development Board Chairman Mr. Alan Yeo and members at the People's Park restaurant; and Hotels and Tourism Minister Lt. Gen. Kyaw Ba hosted a dinner in honor of Singaporean Member of Parliament Mr. S. Chandra Das and party at the Inya Lake Hotel.

Delegates Depart for Airline Inauguration

*BK1608093793 Rangoon Radio Burma in Burmese
1330 GMT 15 Aug 93*

[Text] After the inauguration of Myanmar [Burma] Airways International [MAI] at the external lounge of Yangon [Rangoon] airport, Transport Minister Lieutenant General Thein Win; Brigadier General Abel, minister of national planning and economic development; Information Minister Brig. Gen. Myo Thant; Brig. Gen. Lun Maung, minister of the prime minister's office; U Ko Lay, mayor of Yangon and chairman of the Yangon City Development Committee; Deputy Transport Minister U San Wai; responsible personnel from the Air Transport Directorate, attorney general's office, Myanmar Hotel and Tourism Enterprise, Myanmar Airways, Foreign Investment Commission, Myanmar Trading Bank, Ministry of Transport, and Ministry of Foreign Affairs; local journalists led by U Hla Tun, news director of the News and Periodical Enterprise; foreign journalists led by U Sein Win, patron of the Foreign Correspondent Club of Myanmar [FCCM] and KYODO correspondent, and U Chit Tun, chairman of the FCCM and UPI correspondent; retired Colonel Tun Aung, chairman of the board of MAI, and board members; Mr. (Wong Kong Fu), managing director of the (Hi-sonic) Enterprise Private Limited, and members; invited guests; and journalists from Singapore left Yangon at 1300 in an MAI Boeing 757 to attend an MAI inauguration ceremony at Changi Airport in Singapore.

The plane arrived at Changi Airport in the Republic of Singapore at 1525 Myanmar standard time. First, Mr. (Wong Wang Lun), Singapore's director general of civil aviation, went and greeted the ministers and guests aboard the plane. Then they were welcomed by Communications and Environment minister Mr. Mah Bow Tan; retired Naval Commodore Teo Chee Hean, minister of state for finance and communications; and responsible personnel. The ministers and guests were warmly welcomed with the traditional lion dance, and young ladies presented garlands to them.

Then the ministers and guests proceeded to special guest room No. 2 at the Changi Airport building. There,

Transport Minister Lt. Gen. Thein Win and Communications and Environment Minister Mr. Mah Bow Tan exchanged gifts and cordially greeted each other.

After that, at Jade Hall in the same building, Transport Minister Lt. Gen. Thein Win; Brig. Gen. Abel, national planning and economic development minister; retired Col. Tun Aung, chairman of the board of MAI; and Mr. (Wong Kong Fu), managing director of the (Hi-sonic) Enterprise Private Limited, answered questions from Singaporean journalists concerning the MAI and tourism in Myanmar.

The delegation led by Transport Minister Lt. Gen. Thein Win left Changi Airport on the same plane at 1800 local time. The delegation arrived at Yangon airport at 1908 Myanmar standard time.

Than Shwe Accepts Australian Envoy's Credentials

BK1708143293 Rangoon Radio Burma in Burmese 1330 GMT 17 Aug 93

[Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], accepted the credentials of the newly-accredited ambassador of the Commonwealth of Australia, Mr. Stuart Hamilton Rawdon Hume, at the Defense Ministry's Dagon House at 1000 today.

Present at the ceremony were SLORC Secretary-1 Lieutenant General Khin Nyunt; Foreign Affairs Minister U Ohn Gyaw; and Thura U Aung Htet, director general of the Ministry of Foreign Affairs Protocol Department.

Delegates Continue To Give Convention Reports

Kokang Party Delegate Reports

BK1808044193 Rangoon Burma Television Network in Burmese 1530 GMT 14 Aug 93

["Extracts" of the report compiled by the Kokang Democracy and Unity Party and read by U Yan Kyin Kan at the plenary session of the National Convention held at the President's House compound in Rangoon on 14 August—recorded]

[Excerpts] Esteemed Mr. Chairman, members of the Panel of Chairmen, chairman and members of the National Convention Convening Commission, convention delegates and members of various committees: I would first like to extend auspicious greetings for your health and well-being. I am Yan Kyin Kan from the Kokang Democracy and Unity Party. [passage omitted on introductory remarks]

Mr. Chairman: I hereby present the following, which are considered appropriate fundamental principles:

The state structure shall be based on a union system as our nation is a place where national races have been

living together through weal and woe. National unity only can be properly realized then.

The existing states and divisions shall be prescribed as major regions with equal status.

As we have had bitter experiences from centralized rule, there should be a bicameral legislature with a legislative assembly composed of representatives, who represent the concrete and true conditions of the entire indigenous people, and a nationalities assembly representing the indigenous national races. This will ensure that there is no isolation from the entire indigenous people.

The state shall ensure that the three sovereign powers of state—legislative, executive, and judiciary powers—are shared and exercised by the Union and member states within the framework of national sovereignty.

The state economy system shall be based on an open-door market economy. There should be guarantees and legal protection in order to attract more domestic and foreign investment. Tax rates should also be reformed in accordance with the country's changing economic system.

The state has the right to extract and use all natural resources in the interests of the entire public since these natural resources are owned by the state. However, part of the proceeds from our natural resources shall be used for economic, health, and social development in the regions concerned. The state shall give priority to the economic, social, health, education, and communications development of special regions, which lag behind in development. [passage omitted]

The state shall practice independent and nonaligned foreign policy and conduct diplomatic relations in the spirit of friendship with the nations of the world. There, however, shall be no foreign domination in the political, economic, and social affairs of the country.

The Defense Services, which constitutes a major force in national defense and which maintained noble traditions in its history and participated in national leadership, shall play an appropriate role in accordance with historical changes.

Within the framework of constitutional provisions, the national races of the Union shall have the right to create their own destiny in accordance with their own literature, culture, customs, and traditions. They shall enjoy freedom of worship. All national races shall enjoy equal rights. [passage omitted on cultural promotion]

The national races shall enjoy freedom to publish and distribute newspapers, journals, and magazines within the framework of law. They shall enjoy freedom to form social organizations not connected with politics. Only then, can the Lawkapala principles of justice, liberty, and equality be realized.

All national races shall have the right to move to and reside in any part of the Union. There shall be no

discrimination and domination between the classes and races. Benefits, rights, and responsibilities of citizens shall be accurately stipulated. [passage omitted]

I conclude by saying that the abovementioned fundamental principles constitute the original objective of national policy and basic guidelines for the state constitution. [applause]

Karen Union League Reports

BK1708105993 Rangoon Burma Television Network in Burmese 1530 GMT 14 Aug 93

["Excerpts" of the report compiled by the Union Karen League presented by U Saw Daniel at the plenary session of the National Convention held in the President's House compound on 14 August—recorded]

[Excerpts] Esteemed Mr. Chairman, members of the Panel of Chairmen, and convention delegates: I extend my greetings to all of you. I am Saw Daniel, general secretary of the Union Karen League. [introductory passage omitted]

In considering how to prescribe the necessary fundamental principles of the state to be used in drafting the future state constitution, our organization has taken into serious consideration the speeches delivered on 7 June 1993 by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission and U Aung Toe, chairman of the National Convention Convening Work Committee.

Our Union Karen League would like to present our report to contribute toward the emergence of a basic charter that would ensure that all of us currently residing in Myanmar as well as the future generations live together through weal or woe. We would like to make the suggestions with good intentions and goodwill after drawing lessons from the bitter experiences of the past. [passage omitted]

Our Union Karen League would like to suggest that the following fundamental principles be prescribed as the fundamental principles of the state:

1. The state constitution provides for the Union of Myanmar—an independent and sovereign republic—and two houses of parliament;
2. The Union of Myanmar will be composed of states and divisions with self-administrative powers as prescribed by the constitution;
3. All privileges and powers of the sovereign and independent Union of Myanmar as well as states and government organizations shall stem from the people;
4. There will be firm constitutional provisions to ensure that all citizens of the Union of Myanmar enjoy justice in social, economic, and political affairs; equality before the law and application of the law; freedom of thought as long as it does not contravene the law and conduct of the

general public; freedom of expression, writing, belief, and religious worship; freedom of earning livelihood and freedom of organization;

5. This state constitution will contain adequate provisions to protect the rights of the minorities;

6. The nations will observe territorial integrity of the independent and sovereign state of the Union of Myanmar and its sovereign power over the Army, Air Force, Navy of the state in accordance with law;

7. The (?essence) of the state constitution will be based upon a democratic system which is genuine, refined, disciplined, and free of intimidation;

8. Pledge by national races to live in unity forever through weal and woe based on equality;

9. Myanmar, which was once famous in history, will strive to reach the status befitting its prestige in the world and will strive to discharge its duty with goodwill toward the progress and welfare of humanity; will maintain friendship with nations of the world in the interests of world peace; and will uphold the principle of peaceful coexistence and cooperation among the nations based on the international code of conduct. [passage omitted]

Our Karen Union League would like to suggest for the sake of national unity that the state constitution provide for the right of self-determination necessary for the national races and management of the affairs of the minorities living outside the state [representing their race].

I conclude my report with a suggestion that a principle be included in the constitution for the Department of Karen Affairs in the interests of the Union and to serve many Karen nationals living outside the [Karen] State in accordance with the goodwill maintained by General Aung San, national leader and Mahn Ba Khaing and Mahn Win Maung, Karen national leaders, when they were still alive. [applause]

Brunei, Malaysia & Singapore

Malaysia

Minister Discusses PRC Ties With U.S. Senators

BK1708110293 Kuala Lumpur BERNAMA in English 1037 GMT 17 Aug 93

[Text] Kuala Lumpur, Aug 17 (OANA-BERNAMA)—Malaysia will maintain friendly relations with China, and strive together with the neighbour for prosperity of both nations, Malaysian Foreign Minister Abdullah Ahmad Badawi Tuesday told three visiting United States Senators.

Close relations and cooperation between Malaysia and China would alleviate any attempt by China to resort to military action because that would also be detrimental to China, he said.

If there is no cooperation, there is a possibility China may resort to military action (against Malaysia) or cause a conflict here because it will not lose anything. We want to create a choice (for China), he told reporters after a meeting with Senators William S. Cohen, Hank Brown and Larry Pressler, here.

Furthermore, Malaysia wanted to be friends with all its neighbours, he said.

Abdullah said the cooperation, among other things, would be in the economic and trade sectors.

72 Illegal Vietnamese Immigrants Repatriated

BK1408092193 Kuala Lumpur UTUSAN MALAYSIA in Malay 15 Jul 93 p 4

[Excerpt] Subang, 14 July—A total of 72 illegal Vietnamese immigrants held at the Sungai Besi temporary camp were repatriated today. The Vietnamese nationals, who departed from the Kuala Lumpur International Airport, were the seventh batch of returnees, whose total number has reached 608 so far this year.

Major Abu Musa Abdul Rahman, an official of the Illegal Vietnamese Immigrant Task Force, said the repatriation had been voluntary after interviews were held to find out who wanted to return home.

"They will be given a monthly allowance of U.S.\$30 by the UN Office of the High Commissioner for Refugees for one year to start a new life in Vietnam. There are 8,724 Vietnamese illegal immigrants remaining at the temporary camp, and since the introduction of the voluntary repatriation program, 2,048 Vietnamese have been repatriated," he said. [passage omitted]

Singapore

Two Candidates Approved for Presidential Campaign

BK1808121593 Singapore THE STRAITS TIMES in English 17 Aug 93 p 3

[Excerpt] It's official—there will be no more than two candidates in the presidential election on August 28.

As widely expected, the Presidential Elections Committee (PEC) yesterday issued only two certificates of eligibility—one to former Deputy Prime Minister Ong Teng Cheong and the other to retired civil servant Chua Kim Yeow. This means that they will be able to file their nomination papers tomorrow.

Out of four applicants, they were the only two whom the PEC deemed fit to stand for election.

Applications from Mr J.B. Jeyaretnam and Mr. Tan Soo Phuan, both members of the Workers' Party, were rejected.

A fifth application from Nominated MP Chia Shi Teck was withdrawn on August 3.

Mr. Chia, who had said that he would contest the election if no one else threw his hat into the ring, pulled out after he learnt that Mr. Chua planned to be a candidate.

Under the law, those who wish to run for President have to satisfy the PEC that they are of good character and reputation.

The committee must also be convinced that they have the necessary financial expertise to do the job.

Those who have been cabinet ministers, top civil servants, or chief executive officers of companies with a paid-up capital of at least [Singapore dollar] \$100 million, for at least three years, are considered automatically to have the necessary financial expertise.

In a statement yesterday, the PEC said that it was not satisfied that Mr. Jeyaretnam and Mr. Tan had the financial background to be president. Nor was it satisfied that they met the requirements of the law "in regard to integrity, good character and reputation".

Mr. Jeyaretnam, 66, a lawyer, had told THE STRAITS TIMES last week that he thought he was eligible to be president as he had served for about 12 years in the public sector, holding posts such as district judge and Supreme Court Registrar. He also felt that his conviction for fraud in 1986 when he was fined [Singapore dollar] \$5,000 and jailed for one month, should be ignored as it had taken place more than five years ago. [passage omitted]

Cambodia

Thai Role in Capture of UN Peacekeepers Viewed

BK1908092193 Phnom Penh CAMBODIA TIMES in English 16-22 Aug 93 p 3

[By Greg Hopkins: "Thai Army Complicity With KR Confirmed"]

[Text] Phnom Penh—Despite stringent denials by Thai Prime Minister Chuan Likphai and other high ranking government officials, new information made available to The Cambodia Times points to active complicity between the Thai military and Khmer Rouge [KR] guerillas in the kidnapping of 21 UNTAC [UN Transitional Authority in Cambodia] personnel early this month.

UN sources speaking on condition of anonymity confirmed that incoming mortar fire on the UN position on the Thai-Cambodia border came from the Thai side of

the border followed by an attack by Khmer Rouge guerillas numbering some 80 men.

To escape heavy fire, the UNTAC military men fled across the border into Thailand, at which time the Khmer Rouge captured them.

The lone Australian signaller had the presence of mind to smash up all their radio equipment, save one, which he used to keep in touch with headquarters.

Khmer Rouge soldiers assaulted him each time he used the radio but inexplicably let the Australian soldier keep it.

Less than ten minutes after their capture by the Khmer Rouge, high ranking Thai government officials appeared on the scene with Thai military men in full uniform and media personnel in tow. The whole event was then recorded on video by the Thais.

They brought along hot meals and refreshments which they gave to the UN soldiers, making it clear that they had advance knowledge of the plan to capture the peacekeepers.

From their behaviour, the Thai military men were well known to the Khmer Rouge and were treated cordially.

Chuan Likphai had earlier been quoted as accusing the United Nations of being thankless for Thailand's cooperation when reacting to UNTAC statements that the Thai military allowed the Khmer Rouge to attack and detain UN peacekeepers from its territory.

However, this new evidence flies in the face of the Thai prime minister's denials and points a finger to close co-operation between the Thai military and Khmer Rouge guerillas, even going as far as undertaking combined operations to attack UN personnel on the Thai-Cambodia border.

General Charan Kunlawanit, the Thai intelligence chief, has dismissed UNTAC's version of the incident, saying "I would like to make it clear again that we have contacts with the Khmer Rouge but we do not support them."

Some of the kidnapped UNTAC soldiers had reported during debriefing sessions that both the Thai military and the Khmer Rouge were desperate to open up CT1, the border crossing point, so they could continue to trade in illegal logs which were due to be transported from the country into Thailand in defiance of UN sanctions. This one shipment alone was valued at US\$5 million. Three of the Khmer Rouge officers were well over sixty years of age and said openly in the presence of Thai soldiers that their next target was the capture of Siem Reap.

The UNTAC unit comprised 21 men drawn from Australia, China, France, Britain and Pakistan.

The UN soldiers were robbed of their personal belongings, including the cash they were carrying.

Khmer Rouge: Government Offensive 'Routed'

BK1908023093 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 18 Aug 93

[“Report on the Routing of the Plans and Offensives of the Vietnamese Aggressors and Vietnam's Puppets in Siem Reap and Kompong Thom Provinces”—date not given]

[Text] 1. Approximately 2,000 troops of the Vietnamese aggressors and Vietnam's puppets launched offensives in Stoung and Kompong Svay Districts, Kompong Thom Province on 12 August. There were already over 500 troops of the Vietnamese aggressor forces and Vietnam's puppets in the area; over 1,500 new troops were brought from Phnom Penh, Prey Veng, and Svay Rieng by Vietnam's puppets. There were 300 new and genuine Vietnamese troops; over 200 troops were recruited among Vietnamese laborers.

2. Approximately 2,000 troops of the Vietnamese aggressors and Vietnam's puppets launched offensives in Chikreng, Sot Nikom, Siem Reap, and Puok Districts of Siem Reap Province on 15 August. There were already about 700 troops of the Vietnamese aggressors and Vietnam's puppets in the area; over 1,500 troops were gathered from Battambang, Kompong Cham, and Phnom Penh. There were 300 new Vietnamese troops; over 200 soldiers were recruited among Vietnamese laborers.

3. Vietnamese officers quietly stayed behind the command of this offensive force. Among the commanders of Vietnam's puppets was (Neou Sakhan), who replaced Pol Saroeu. There were also (Prum Samen), (Tri Doek), (Ke Pisit), and so on. All of them have been commanders of Vietnam's puppets since Vietnam set up its puppet army in 1979-1980. They had been beaten and routed on many battlefields and during many campaigns.

4. The masters of the plan to launch the offensives against the Democratic Kampuchea's zones are allies, in particular the United States, France, and Australia, and a number of UNTAC [UN Transitional Authority in Cambodia] leaders, particularly Akashi and Sanderson. These people showed the way, gave the green light to gather troops to attack Democratic Kampuchea's zones, and are the ones financing this offensive. They have worked out that the troops involved in this campaign are paid \$8 for a private. The pay increases step by step to \$10, \$12, \$18, \$20, \$30, \$80, and \$100. The lower levels and privates, however, are paid—not even fully—in the riel currency of the puppets. Dollars go to those who were in charge of disbursing the money and to Vietnam's puppet leaders.

5. The goal of this large-scale offensive, to win militarily, is only a secondary one. These people have known the Vietnamese aggressors and Vietnam's puppets, who

despite being in control of Cambodia for over 14 years, have not been able to overcome the national forces of Democratic Kampuchea.

The most important goal of these people was to buy and drag troops of some parties into this campaign in order to split national forces politically, and through this, create troubled waters among the national forces and destroy the national reconciliation plan aimed at discarding and eliminating the Democratic Kampuchea side.

6. The plan and offensive campaign of the allied UNTAC leaders, the Vietnamese aggressors, and Vietnam's puppets in Siem Reap and Kompong Thom were routed on the afternoon of 17 August by the people, male and female, old and young, and Democratic Kampuchea.

7. The reason for the routing of this hideous and perfidious offensive campaign is that the people and Democratic Kampuchea have implemented the five-point strategy and tactics involving 1) the people, 2) politics, 3) roads, 4) economy, and 5) military. Through this five-point strategy and tactics, the cruel troops of the Vietnamese aggressors and their puppets were denounced; the soldiers, who were indecisive and were forced to fight, had been persuaded not to fight. This strategy and tactic cut communications lines behind the offenders, which isolated them into segments and made the supply of ammunition and foodstuff impossible. At the same time, the people used political forces to cut off economic supplies and prevented the aggressors and offenders from securing paddy, rice, and foodstuff. This starved the troops who loudly cried: We are going to starve to death!

Concerning the military aspect, the people's forces defending the nation are the main forces opposing the bandits in the latter's activities to rob, shell, open fire, burn down entire villages, and kill entire families. These people robbed the people for over 14 years. Now they are pushing and arming others to struggle militarily, politically, economically, and in the field of communications lines.

In any war the world over, it is usual that aggressors cannot win against the people's forces that unite and oppose them, in particular, the aggressors who have lost the war of aggression and territory expansion in Cambodia. They have lost not just because of Democratic Kampuchea alone. They lost because of the national resistance forces, national forces, and the entire Cambodian people, particularly the people in rural areas, who had been skinned alive by the Vietnamese enemy aggressors and the puppets. The Cambodian people have been forced to fight back against the enemies by every means.

This is why the people in general have said that the bad guys and the puppets have big and small guns, and tanks to attack the people, cattle, villages, houses, and rice fields of the people in their large-scale offensive. They,

however, cannot swim across the people's sea; they will drown in the Cambodian people's sea.

The people say that they are still happy with the national reconciliation plan of the Prince Father and want to rally the nation's entire forces to oppose the Vietnamese aggressors to recover peace, independence, and sovereignty with territorial integrity for Cambodia.

The people say that the Cambodian problem does not result from Cambodians, but from foreigners, particularly the Vietnamese aggressors and territorial expansionists, and a number of bad elements among the allies. The people say that friends and enemies of the Cambodian nation and people should be clearly distinguished and that the national forces should be more firmly united and expanded as in the past, in the present, and in the future.

Ranariddh, Hun Sen Outline Mission for Police

*BK1808145193 Phnom Penh National Voice of
Cambodia Radio Network in Cambodian 1300 GMT
18 Aug 93*

[Text] The Ministry of Interior and National Security introduced the program of action for the national police forces for the transitional period at a ceremony held at the Basak riverfront convention hall on 18 August. His Royal Highness [HRH] Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, cochairmen of the Provisional National Government of Cambodia and ministers of interior and national security, presided over the meeting, which was also attended by high-ranking generals and officials from the Ministry of Interior and National Security and commissioners and deputy commissioners of the ward, commune, district, and precinct police forces.

HRH the Prince Kromluong reminded the attendees of the principles advocated by the national police forces. He said that they must maintain a neutral stance and attitude and respect and safeguard the interests of the nation and people. He went on to say that the most important task and duty of the national police forces is to protect and ensure security for the nation and the citizens without any discrimination and regardless of their party affiliation. They must respect the rights of the citizens and, in their line of duty, they must strictly stick by the law. He also stressed that if those who are to enforce the laws violate or break the laws themselves, they should understand that they have committed the most serious crime. He then congratulated all national police officers for their good work in helping to improve the security situation.

In his address, H.E. Hun Sen admired the national police forces for their great efforts to bring some sort of stability and good order to the country. He said that the government has issued many important and urgent circulars mostly focusing on the question of public security that the armed forces—both the national army and national police—are assigned to solve. He also pointed out two

important causes of the security problem. First, he said, there is the refusal by a faction to join in implementing the agreement. This is a major factor, because that faction has created insecurity and all kinds of sabotage that have posed a serious danger to the national community. Second, there are the acts by anonymous armed groups that can be classified into several types: the armed robbers or those who commit robberies with the design of fishing in troubled waters or, in other words, the extremists, the opportunists, and the impostors.

He also urged the police officers to strengthen their determination to carry out their task and refrain from listening to rumors that could lead them to misconduct. He added that in the future, the government will improve the police uniforms and that the current positions, ranks, and roles of the existing police officers will remain unchanged. He assured them that there will be no demotion in ranks or reduction in pay. Any police officers who perform their work well will have their pay increased, he said.

Pol Pot 'Political Strategist Par Excellence'

BK1908095393 Phnom Penh PHNOM PENH POST in English 13-26 Aug 93 p 7

[Article by Craig Etcheson entitled: "Pol Pot and the Art of War"]

[Text] Everyone seems to agree: the Khmer Rouge are finished, or are they? It is well to recall that Cambodia is covered with the graves of those who underestimated Pol Pot and the Khmer Rouge (KR).

Nonetheless, the majority view is that the danger has passed, Prince Sihanouk called the elections "an historic defeat" for the KR. In the U.S., Secretary of State Warren Christopher termed the elections "the triumph of democracy," and Assistant Secretary Winston Lord opines that the KR are now "manageable," Clinton administration intelligence officials are giving background briefings with the message, "The Khmer Rouge are in disarray", Mr. Twining mocks them: "I hope they like the forest."

Perhaps the most systematic exposition of this view to appear in public was Nate Thayer's recent piece in the pages of this paper, titled "Whither the Khmer Rouge?" Thayer argues the KR are isolated and vulnerable, "with no allies they can rely on for the first time since 1970." They are "incapable of remobilizing an army" and consequently unable to "seize control of more territory." Abandoned by their FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] allies as a liability, they "may find themselves the target of an internationally supported military campaign to destroy them."

As the subhead of Thayer's piece proclaims, it sounds like the end for the KR. And perhaps this is exactly as Pol Pot wishes to be perceived at the present time.

Nearly 3,000 years ago, the Chinese General Sun Tzu wrote in his classic treatise, *The Art of War*, "All warfare is based on deception."

After all, as Thayer himself points out, the Khmer Rouge retain significant strengths. "Their organization remains essentially intact...and they have sufficient 'popular strength' to sustain them." "They have competent administration and military" in an "autonomous zone of control" covering at least one-fifth of the country. These zones include "areas rich in rice, gems, timber and safe supply lines to willing commercial partners." Moreover, their armed forces have recently grown, and have received new weapons from Thai generals, as confirmed by U.S., U.N. and other intelligence sources.

Compare this to their situation of utter defeat, isolation and exile in 1979-1980, and one can argue that the Khmer Rouge have actually made excellent progress. Yet the wise general deceives. As Sun Tzu says, "Pretend inferiority and encourage his arrogance." But this is not all. Pol Pot is a political strategist par excellence.

If Pol Pot had relied on the military strength of his party alone, he would never have come to power in the first place. The Khmer Rouge originally gained power in 1975 by forming a united front with the overthrown godking Norodom Sihanouk, thus winning the allegiance of Cambodia's peasants. The identity of the Khmer Rouge leaders and the existence of their communist party were kept absolutely secret. The Khmer Rouge then systematically liquidated royalist politicians and soldiers until Pol Pot had secured undisputed control.

This time around, Pol Pot decided to stick with a winning strategy. After the overthrow of his murderous regime by Vietnam in 1979, Pol Pot declared that his communist party had been dissolved, he was retiring from politics to become a school teacher, and the Khmer Rouge were adopting capitalism. The Khmer Rouge then formed a united front with Prince Sihanouk to make war on the Cambodian government. The scenario would make a delightful farce were it not so predictable, and so lethal.

According to a defector, Pol Pot instructed Khmer Rouge military officers in 1988 that "The fruit remains the same; only the skin has changed." A captured Khmer Rouge document dated Jan. 10, 1992, emphasizes, "We must concentrate first on accelerating the infiltration of category one forces in order gradually to establish in advance the pre-requisites" for the takeover of his hapless allies. Again, the Khmer Rouge have been liquidating royalists in order to seize control of the front.

Prince Sihanouk remembers what the Khmer Rouge did to his National United Front in the 1970s. Sihanouk resigned as leader of the royalists before the Paris treaty, and now says, "There are Khmer Rouge who occupy important positions in FUNCINPEC. They have become chiefs of bureaus, heads of provincial organizations. There are apparently assassins among these Khmer Rouge."

As Khmer Rouge specialist Jacques Bekaert observes, "In the zones controlled by the former resistance...everything is in the hands of the military and people are executed almost every day for a variety of reasons." Bekaert adds, "A large number of soldiers belonging to the FUNCINPEC or the KPNLF [Khmer People's National Liberation Front] have vanished." The Khmer Rouge military provides "security" in these so-called "noncommunist liberated zones."

U.N. and other intelligence sources indicated that royalist military units have now been assigned to logistics functions by the Khmer Rouge. FUNCINPEC units are responsible for transporting ammunition and other military stores from their Thai military suppliers to front line Khmer Rouge combat units. The fact that Pol Pot has entrusted the royalists with such a crucial role indicates the Khmer Rouge have completed the task of establishing operational control over significant portions of the royalist military command.

The few surviving FUNCINPEC commanders loyal to Cambodian royalty realized the untenability of their position. Five of them defected to People's Party this year.

On the political front, the Khmer Rouge long ago adopted a "leopard spot" strategy of infiltrating cadre into villages for clandestine political work. This tactic has multiple objectives, including providing intelligence, propagandizing the population, causing disarray in the enemy's rear areas and infiltrating enemy political organizations. Tens of thousands of people from KR camps in Thailand are now dispersed across Cambodia; how many still work for the KR?

All this may account for the fact that the KR did not seriously disrupt the election, as was widely predicted. Instead, they brought out their followers with instructions to vote for FUNCINPEC. The tactic has been exceedingly successful. Respected specialists on the Khmer Rouge such as Raoul Jennar and Ben Kiernan warn that the Khmer Rouge tactic of infiltrating agents into allied and opposition parties alike—a tactic used most effectively in the past—is most likely still in use by Pol Pot. How many officials of FUNCINPEC, or for that matter the People's Party are Khmer Rouge agents?

Sun Tzu says, "To subdue the enemy without fighting is the acme of skill." Perhaps the most significant strength of the Khmer Rouge is one that has escaped all comment in the West. The greatest obstacle to a Khmer Rouge return to power has been the State of Cambodia. That obstacle has been swept away, replaced by a weak coalition government. The victorious FUNCINPEC is largely manned by personnel who have been in exile for a quarter century, and have no experience in governing. The division of power between the People's Party and FUNCINPEC is tenuous, at best. Such a government is extremely vulnerable to subversion and black measures, Pol Pot's speciality.

For the last 18 months, the greatest threat to the KR has been the international spotlight. Recently, Pol Pot has begun making nice noise toward the U.N., offering to integrate his army, open his zones, and become a "simple party." He might even stop attacking U.N. positions. Of course, such negotiations will take time, and by then UNTAC will be gone. After UNTAC departs Cambodia, the issue will quickly fade from international attention. Another successful peacekeeping mission. As Sun Tzu says, "What is of supreme importance in war is to attack the enemy's strategy."

But let us not forget: the Khmer Rouge still maintain that there are three million hereditary enemies in Cambodia to be exterminated. Promises by politicians like Australia's Senator Evans that the international community would invade to beat back a second Khmer Rouge attempt at genocide are laughable. Who would provide such troops? Australia? France? The U.S.? Perhaps Japan? A brief look at domestic political conditions in these states reveals the absurdity of such a claim.

So, where does the balance lie? Given the facts, what one might term the "Thayer Thesis"—that the KR are finished—is certainly plausible. FUNCINPEC and the KPNLF are now allied with the People's Party. Weapons shipments from China have been reduced or eliminated. Soon, KR diplomat Chuon Prasit may even be forced out of Cambodia's United Nations mission in New York. It could be the end for Pol Pot.

However, equally plausible is the contrary thesis, let's call it the "Sun Tzu Thesis," that Pol Pot is better positioned today for a return to power than at any time since 1979. The Vietnamese are gone. The "puppet regime" is defeated, replaced by an unstable conglomeration. Pol Pot still has his army, and still has highly placed friends in Thailand and China. He is wealthy. He has hugely expanded his territory and population. He has deeply infiltrated the opposing parties, and again has both overt and covert operatives in Phnom Penh. And he has convinced most of the world that the Khmer Rouge threat is no more. Sun Tzu would be proud, for, as he says in *The Art of War*, "He who lacks foresight and underestimates his enemy will surely be captured by him."

Indonesia

Suharto Grants Clemency to E. Timor Rebel Leaders

BK1308132593 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 13 Aug 93

[Text] President Suharto has granted clemency by reducing the jail terms of those involved in the Dili incident on 12 November 1991. Minister-State Secretary Mardiono announced the presidential clemency at a news conference in Jakarta this afternoon. He said the jail term for [East Timor rebel leader] Jose Alexander

Gusmao alias Xanana, who had been given a life sentence, has been commuted to 20 years. The reason for the presidential clemency is that Xanana has openly repented for his past mistakes. Xanana has also accepted the fact that East Timor's integration into the Republic of Indonesia is final. The situation can be legally proven because Xanana did not make an appeal when he was convicted by the court, but asked for clemency instead.

Minister Murdiono added that clemency also has been granted to (Carlos dos Santos Ramos), whose jail term was commuted from eight years to six. Meanwhile, the jail term for another convict, (Donny Facio Magno Pereira), has been commuted from six years to four. Minister Murdiono noted that five other convicts are going through the legal process to have their jail terms reviewed.

Clemency 'Proof' of Attention to Rights

BK1408155193 Jakarta ANTARA in English 1312 GMT 14 Aug 93

[Text] Dili, E Timor, Aug 14 (OANA-ANTARA)—The clemency granted by President Suharto for convicted East Timorese guerrilla leader Xanana Gusmao is proof of the government's attention to human rights issues, an East Timorese legislator said here on Saturday.

"The clemency is proof that the government takes heed of the most fundamental aspect of the human rights," said Chairman of East Timor's Legislative Assembly (DPRD) Antonio Freitas Parada to reporters.

Minister/State Secretary Murdiono announced on Friday that the president had reduced the jail term of Xanana from life imprisonment to 20 years.

Logically Xanana should serve the jail term handed down in May by the Dili District Court because he had caused the people to suffer from hardships and conducted direct or indirect killings, the legislator said. The Dili District Court found him guilty of heading an armed rebellion, plotting against the state and illegal possession of firearms.

Xanana who was arrested in Dili by the military last November and was brought to trials in January, had conducted a separatist movement since East Timor, a former Portuguese colony, integrated into Indonesia in 1976.

According to Parada, the government's decision to provide the clemency contradicts the statement by those who want to corner Indonesia that Xanana has been treated inhumanely.

He said that Indonesia did not just say a word but proved it with a deed regarding human rights.

He expressed concern over circles who still questioned the problem after the clemency, what then their next comments be?, Parada questioned.

Human rights group Amnesty International said on Saturday it remained concerned about Xanana despite Indonesia's reduction of his life sentence, REUTER said.

The group accused that the clemency announced on Friday was designed to appease the international community.

"Is there no inhumane treatment in the countries of the human rights groups?", Freitas said.

They should have solved their own problems first before turning to those of other people, he stressed.

Commenting on the arrival of three members of the Portugal-Indonesia Friendship Association, Parada said that the government should give cautious response without the need to reduce the significance of the initiative of Lopes da Cruz, Indonesia's ambassador at large.

He said that the inconsistency of Portuguese often made him to keep distrust, adding that their arrival however is a good start in an effort to remove differences between Portugal and Indonesia.

E. Timor Rebel Views 'Better Ways' To Fight

BK1508152493 Hong Kong AFP in English 1358 GMT 15 Aug 93

[Text] JAKARTA, Aug 15 (AFP)—East Timorese rebel leader Mauhudu (editors: one name) had already considered the independence struggle a lost cause before his arrest last year, he said in a television interview shown Sunday.

He added that he has now abandoned it.

"If we cannot achieve our aims through our struggle, it is better for us to seek other ways ... better ways," Mauhudu, also known as Jose da Costa, told the private network Rajawali Citra Televisi Indonesia (RCTI).

Mauhudu, who was deputy to East Timor's FRETILIN [Revolutionary Front for an Independent East Timor] pro-independence movement leader Xanana Gusmao, now in prison, was interviewed at an undisclosed time and location in the East Timor capital of Dili.

He is currently being held in house arrest, and officials have not said whether he will face trial.

Security officials said Mauhudu had given them names of other FRETILIN supporters, something he has neither denied nor confirmed.

RCTI, in the same "Special Report" program a week earlier, broadcast another East Timorese rebel leader, Mauhunu, saying he was renouncing political activism.

Mauhunu, alias Antonio Gomes da Costa, briefly took over the FRETILIN leadership following Gusmao's capture last November but was arrested south of Dili on April 3.

Mauhudu told RCTI that he had concluded peace was the best solution to the East Timor problem, adding that he now has "a better understanding of the aims of integration," a reference to Indonesia's unilateral annexation of East Timor in 1976.

Indonesian troops invaded the former Portuguese colony in December 1975 and Jakarta unilaterally declared it its 27th province the following year. The United Nations has not recognized the move and considers Portugal the legitimate administrative power.

Mauhudu said Gusmao had ordered him back to the jungle shortly before he was arrested, "but I was sick ... I just remained there (in the house) and waited until they arrested me."

Mauhudu appeared frail on television but much healthier than he did just after his arrest. Indonesian authorities said he was suffering malaria at the time.

The RCTI program also interviewed an elementary school teacher, a farmer and a student who were presented as former FRETILIN members and sympathizers.

They said they had been treated well by Indonesian security authorities and vowed not to come under FRETILIN influence again.

'Last' Combat Troops To Leave East Timor

BK1708151893 Hong Kong AFP in English 0959 GMT 17 Aug 93

[Text] Jakarta, Aug 17 (AFP)—The Indonesian military plans to pull its last combat troops out of the former Portuguese colony East Timor starting next month, the ANTARA news agency said here Tuesday.

"The plan is in September and October the ratio will be 10:0, meaning all the ten battalions will be territorial, to develop East Timor and there will be no more fighting battalion," Antara quoted Major General Theo Syafei as saying.

Syafei is commander of the Bali-based Udayana Military Command, which oversees security in East Timor.

The general said the current troop strength in East Timor was 10 battalions, two of them locally raised, of which nine were territorial and one combat. An Indonesian battalion has about 650 men.

But a full conversion to a situation similar to other Indonesian provinces would probably not take place until 1995, with the disbanding of the special Udayana command set up in 1989 after gradual troop cuts, Syafei earlier was quoted as saying.

The troops had been deployed to fight the East Timorese FRETILIN [Revolutionary Front for an Independent East Timor] independence movement, which has been fighting for an independence since Indonesian troops

invaded East Timor in 1975. Jakarta unilaterally declared East Timor its 27th province in 1976.

Opposition Party Leader Interviewed on Reelection

BK1508142093 Jakarta TEMPO in Indonesian 31 Jul 93 p 27

["Excerpts" of an interview with Suryadi, recently reelected as chairman of the opposition Indonesian Democratic Party, by an unidentified TEMPO correspondent in Medan on 25 July]

[Excerpt] [Correspondent] There are accusations that this congress does not follow proper procedures.

[Suryadi] I do not think the accusations are true. This party congress only elected its chairman, while the elections for the Central Executive Council will be held later. Why is this possible? The reason is that during the general debate, all congress participants already talked about the party chairman's election. In fact, I wanted to have the election held after the end of the party commissions' meeting, which was scheduled to discuss election procedures. I also made it clear that I wanted the election to be held using the voting system, but the congress did not agree with my views, and I had to comply with the congress' decision.

[Correspondent] It was reported that delegates from the party branches were summoned to make the congress proceed faster.

[Suryadi] That is not true. The election of party chairman was a spontaneous and sudden activity which emerged from the floor [preceding word in English]. It first came from a speaker from the Yogyakarta Regional Executive Council, who spoke before the last speaker from the North Sumatera Regional Executive Council. The speaker from Yogyakarta said: "There is only one candidate for the party chairman's post." I noticed that all delegates had given their support. Therefore, all those present gave their support to the only candidate for the chairmanship. This was already considered an unanimous decision, even though the North Sumatera delegate had not delivered his speech. This decision might have been prompted by the speaker from Yogyakarta. There also were interrupting shouts from the back-benchers, but they also supported the decision. All of this was recorded by congress leaders.

[Correspondent] During the general debate, how is it that there were delegates from the party's branch and Regional Executive Councils?

[Suryadi] Regional delegates consist of five persons from Regional Executive Councils and two from the party's branches. They all have an equal opportunity to speak, but they must share their speaking time by combining several party branches together. Speakers from some Regional Executive Councils also speak on behalf of

several party branches. They have to do this because it is impossible for everybody to have a chance to speak.

[Correspondent] After your reelection as party chairman, you will have to attend a trial in Jakarta and it is also possible you will have to appear in court as a defendant. These court hearings may make you ineffective as chairman.

[Suryadi] The court hearings are held twice a week only.

[Correspondent] After your reelection, what are your plans for reconciliation within the party?

[Suryadi] First of all, we must remember what has united us as members of the Indonesian Democratic Party. We are united by idealism. Unity is achieved if we are willing to understand idealism. I want people to understand better what unity means. Therefore, one must not simplify the meaning of "unity" and "reconciliation".

For instance, when people calling for unity burn my effigy, or carry posters saying "Suryadi is a henchman of the Indonesian Communist Party", I believe it is impossible to live together with them under the same idealism. Let us accept the fact! I am just an ordinary human being. If some people call for unity while at the same time give me this kind of treatment, how will this be possible? You saw it yourself that they demanded unity yesterday, but then they stormed the congress. They have been doing this kind of thing for years. However, if they can mend their ways, I will not rule out the possibility of reconciliation because ultimately, I am also an ordinary human being. [passage omitted]

Dissidents Invite Suharto To Discuss Problems

BK1508060893 Hong Kong AFP in English 0557 GMT 15 Aug 93

[Text] Jakarta, Aug 15 (AFP)—Indonesian dissident leaders Sunday called on President Suharto to start a series of talks with Indonesians from outside the government, including them, to try to find a way out of the nation's problems.

"The Indonesian nation must be able to resolve the national challenges it faces on its own," said Chris Siner Key Timu, a leading member of the "Petisi 50" (the Petition of the 50) a leading Indonesian dissident group.

Key Timu was reading out the group's "political statement" issued days before Indonesia celebrates its 48th independence anniversary on Tuesday.

The statement said although there were differences of opinion between those in power and those outside the government, the problems concerned everyone, as they all felt responsible for the fate of their state and nation.

Saying the nation had many "wise men" both within and outside the government, the group called for them to meet and deliberate "in a bid to seek solutions to national challenges.

"We suggest that these deliberations be started by a meeting between two figures of the New Order—Suharto and Nasution—as a pioneering move," the statement said referring to the New Order of Suharto's rule and retired army general Nasution, a major military figure in the early days of the new order.

Nasution was also one of the signatories of the Petition of the 50 in 1980 which was critical of Suharto's policy and after which the dissident group was named. The group comprises many retired generals and former government officials who had served Suharto but later became critical of his policies.

Petisi 50 members have been political pariahs over the past 13 years, with authorities imposing a travel ban on them and denying them access to the national press, until about two months ago when the government started to invite members to official functions.

In July, Suharto invited Nasution to a graduation ceremony of military cadets at the Jakarta palace and also met him briefly afterwards.

Many have interpreted the moves as a conciliatory gesture while others have said it was a mere political manoeuvre with no drastic change in the way the government regarded the Petisi 50.

Through these deliberations, the statement said, "hopefully all problems of our state and nation... can be thoroughly and calmly resolved in an informal way but with the weight of statesmanship, (and) regardless of their (the participant's) respective position.

The statement was read out during a press briefing attended by several of the Petisi 50's leading members such as former Jakarta Governor Ali Sadikin, former Police Chief Hugeng, retired Air Marshal Suyitno Sukirno and retired Major General Azis Saleh.

Official: Monitoring Arms Aid to Guerrillas Difficult

BK1908020793 Jakarta ANTARA in English 1001 GMT 18 Aug 93

[Text] Jayapura, Aug 18, (ANEX/ANTARA)—Irian Jaya has found it difficult to monitor arms assistance sent through Papua New Guinea for a security disturbing movement in the easternmost Indonesian province.

Anthony David Mahulette, Indonesian consul in Vamino, Papua New Guinea, said here on Tuesday that the arms aid for the separatist guerrillas, who have named themselves as the Independent Papua Organisation (OPM) was sent confidentially.

The Papua New Guinea Government helped Indonesia uproot the separatist guerrillas in its territory because they had caused problems and committed criminal offences, Mahulette said, adding that the Papua New Guinea authorities also do not recognize the group.

Among towns in Papua New Guinea, which have been known as centres of the separatist guerrillas' activities are Wewak, Madang, Aitape and Vamino, he said.

But many centres have now disappeared after Indonesia established its consulate in Vaimo, he said.

Mahulette said a number of old separatist guerrillas who are aware of their misdeed had asked the Indonesian consulate in Vamino that they could return to their hometown in Irian Jaya.

"I warmly welcome the statement of OPM leaders who are aware of their misdeed and want to return to Indonesia, but we find it difficult to approve their request for Indonesian citizenship because they have been Papua New Guinea citizens," he said.

Mahulette said the number of OPM members in Papua New Guinea's areas bordering with Irian Jaya is small.

He estimated the number of OPM members in northern and central Irian Jaya at 200 with less than 28 weapons, and in southern Irian Jaya at 50 with 5 to 6 weapons.

He also said around 3,000 Irian Jayan border crossers now live in Papua New Guinea.

Some border crossers are being settled in the village of East Awin in Papua New Guinea, while others have fled from their camps, he said.

The Papua New Guinea authorities repatriated 114 Indonesian border crossers a few months ago to their hometown in Irian Jaya.

Minister on Foreign Debt, Strengthening of Yen

*BK1908135793 Jakarta Radio Republik Indonesia
Network in Indonesian 1200 GMT 19 Aug 93*

[Text] The government will not reschedule the country's foreign debts despite the continued depreciation of the U.S. dollar against the Japanese yen. Finance Minister Marie Muhammad said this to reporters after he commissioned a new building belonging to the Asian Development Bank in Jakarta today.

The minister said Indonesia is capable of coping with its economic problems related to the overseas balance of payment caused by the appreciation of these two currencies. He added that the value of U.S. currency may continue to decline to about 95 yen per dollar. The strengthening of the yen will affect the country's foreign debts in yen and overall balance of payment. Indonesia's foreign debts in yen, which must be serviced in the 1993-94 fiscal year, constitute 43 percent of the total foreign debt.

Laos

Quang Tri Officials Attend Security Meeting

*BK1308151393 Vientiane Vitthayou Hengsat Radio
Network in Lao 0430 GMT 11 Aug 93*

[Text] In mid-July, the delegation of the security forces of Savannakhet Province of the Lao People's Democratic Republic [LPDR] headed by Major Kaysone Khounlatsouvannavong, member of the 3d National Assembly and deputy chief of the public security command of the province, held the third round of talks in Savannakhet Province on public security work with the delegation of the SRV's Quang Tri Province headed by Lieutenant Colonel (Dao Xeun), deputy chief of the public security forces of Quang Tri Province.

At the meeting, the two sides briefed each other on the situation in their respective provinces in the recent past with a view to learning from each other. At the same time, they also discussed certain ongoing problems which must be resolved mutually with the aim of improving the efficiency of public security work (?along the border of) the two provinces, thereby ensuring social security in all aspects and (?eliminating bad elements) who have undermined the time-honored unity of the two nations.

The meeting also signed a memorandum for mutual cooperation for further enhancing the special Lao-Vietnamese solidarity and comprehensive cooperation in general, and for the unity between the two provinces in particular.

Assembly Delegates Confer With SRV Counterparts

*BK1608152993 Vientiane Vitthayou Hengsat Radio
Network in Lao 1200 GMT 16 Aug 93*

[Text] The high-level delegation of the Lao People's Democratic Republic [LPDR] National Assembly led by Saman Vi-gnaket, Political Bureau member of the Lao People's Revolutionary Party Central Committee [LPRP CC] and chairman of the LPDR National Assembly, and the high-level delegation of the SRV National Assembly led by Nong Duc Manh, Political Bureau member of the Communist Party of Vietnam Central Committee and chairman of the SRV National Assembly, held an official consultative meeting at the National Assembly Hall this morning. The meeting proceeded under an atmosphere of special friendship and comradeship between the parties, states, national assemblies, and peoples of Laos and Vietnam.

At the meeting, the two sides highly appraised the fruitful outcome of cooperation between the two countries in the past as well as in the present; for example, in the economic, cultural, scientific, technical, and other fields. In particular, cooperation in the legislative field between the 1st and 2d Supreme People's Assemblies and the 3d National Assembly of the LPDR and the SRV

National Assembly has been further strengthened through various forms and means, including the exchange of visits by delegations at various levels and the exchange of lessons in legal and other fields.

In international affairs, the LPDR and SRV National Assemblies are unanimous in strengthening and increasing relations with neighboring friendly countries, in conformity with their strategies of restructuring; for example, in promoting cooperation with the ASEAN countries and the PRC. Moreover, the two National Assemblies have also made contributions to the political activities undertaken by the Interparliamentary Union, thus acquiring sympathy from many progressive and friendly parliamentary circles throughout the world.

Implementing the policies of broadening relations with other countries, adopted by the party and state of the LPDR and the party and state of the SRV, the delegations of the Lao and Vietnamese National Assemblies pledged to further strengthen cooperation and relations and to exchange lessons.

Prior to attending the meeting, the high-level SRV National Assembly delegation led by Nong Duc Manh, accompanied by Khambou Sounisai, Political Bureau member of the LPRP CC and vice chairman of the LPDR National Assembly, laid a wreath at the Statue of Unknown Combatants to pay homage to those revolutionary fighters who sacrificed their lives for the country.

At noon today, National Assembly Chairman Nong Duc Manh led his delegation to pay courtesy calls on advisers to the LPRP CC, such as Souphanouvong; to pay a call on the families of the late President Kaysone Phomvihane and Sisomphon Lovansai; and to visit the Revolutionary Museum and the construction site of the Mekong bridge.

This evening, Saman Vi-gnaket hosted a banquet in honor of Nong Duc Manh and his delegation at the National Assembly Hall in the capital of Vientiane.

Agree To Respect Paris Agreement

*BK1708070793 Hanoi VNA in English 0654 GMT
17 Aug 93*

[Text] Hanoi VNA August 17—Talks were held in Vientiane on August 16 between the visiting delegation of the National Assembly [N.A.] of Vietnam and a delegation of the Lao Supreme People's Assembly.

Taking part in the talks on the Vietnamese side were Nong Duc Manh, Politburo member, Speaker of the National Assembly and head of the Vietnamese delegation Dang Quan Thuy, Politburo member and deputy-speaker of the National Assembly Tran Van Phac, deputy head of the N.A. External Relations Commission, and other officials. On the Lao side were Saman Vi-gnaket, Politburo member, president of the Lao Supreme People's Assembly and head of the Lao delegation Khambou Sounisai, vice-president of the Lao Supreme People's Assembly and other high-ranking Lao officials.

The two sides informed each other of the implementation of their respective plans of socio-economic construction and development, defence and security external policy and activities of the two national assemblies.

Nong Duc Manh and Saman Vi-gnaket affirmed that the Vietnamese and Lao parties, national assemblies, governments and peoples would continue carrying out agreements between the two political bureaus of the two parties aimed at further enhancement of the friendship, special solidarity and multiform cooperation between Vietnam and Laos. On the relation with Cambodia, the two sides agreed to respect and implement the Paris agreement on Cambodia, respect the independence and sovereignty of the Cambodian people, and expressed the wish that Cambodia would become a peaceful, neutral and non-aligned country having friendly relations with all nations.

On this occasion, Speaker Nong Duc Manh invited President Saman Vi-gnaket to visit Vietnam. The invitation was accepted with pleasure.

Assembly Chairman Fetes SRV Counterpart 16 Aug

*BK1708102393 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 17 Aug 93*

[Text] At 1930 yesterday evening at the National Assembly Hall, Saman Vi-gnaket, Political Bureau member of the Lao People's Revolutionary Party [LPRP] Central Committee and chairman of the Lao People's Democratic Republic [LPDR] National Assembly, hosted a banquet in honor of the SRV National Assembly delegation led by its chairman, Nong Duc Manh, who is also Political Bureau member of the Communist Party of Vietnam Central Committee. The Vietnamese delegation is on an official friendship visit to the LPDR.

In an atmosphere of special friendship, relations, and all-round cooperation, Saman Vi-gnaket in a banquet speech welcomed the delegation's visit. In some important parts of the speech, he says:

[Begin Saman Vi-gnaket recording] The National Assembly, as well as the multiethnic Lao people, highly value this official friendship visit by Comrade [National Assembly] Chairman Nong Duc Manh and his delegation. This is a new step in the promotion, expansion, and strengthening of friendship, special solidarity, and all-round cooperation between the two parties, states, and peoples, especially in the cooperation between the two legislative institutions. Through meeting and exchanging honest views in a comradely and brotherly manner, we have reached a good understanding and made conclusions on various views on regional and world developments. The National Assembly, as well as our multiethnic Lao people, wholeheartedly praise the various concrete achievements and victories of the brotherly Vietnamese people in their restructuring cause under the

wise, clear-sighted, and correct leadership of the fraternal CPV. We regard these victories as ours also.

Regarding bilateral ties, I would like to take this opportunity to strongly reaffirm the genuine spirit of us all, the multiethnic Lao people, toward the relations of friendship, special solidarity, and all-round cooperation. We have always held aloft the teachings of the late President Kaysone Phomvihane that Lao-Vietnamese ties have become the laws for growth, development, and existence of the country. We have always maintained and implemented the immortal teaching of the late President Ho Chi Minh, the much beloved leader of the Vietnamese people, on Lao-Vietnamese relations, saying: With eternal love, big mountains can be conquered and great rivers overcome. The people of Lao and Vietnam have embedded their love in their hearts. Like The Red River and the Mekong River that will never run dry. [end Saman Vi-gnaket recording]

After that, Nong Duc Manh, made a reply speech. In one part, he says:

[Begin Nong Duc Manh recording in Vietnamese with Lao translation read by station announcer] I am very pleased with the achievements attained by the multiethnic Lao people in defending the new system and building the country in accordance with the principle of renovation, thus ensuring its political and social stability. The people's living conditions—physical and mental—have been improved incessantly; their rights of ownership of the country have been gradually promoted. This could be seen in the third National Assembly election. We regard your successes as ours. We are all confident that under the leadership of the LPRP Central Committee led by Comrade Khamtai Siphandon, the legacy of the late President Kaysone Phomvihane will be further maintained and enhanced. The multiethnic Lao people will be able to achieve many new victories in implementing the resolutions of the fifth LPRP Congress, and victoriously completing the targets and duties of developing the national economy and society up to the year 2000. [end Nong Duc Manh recording]

In another part of the speech, Nong Duc Manh says: We all are pleased that the special relations of friendship and all-round cooperation have improved and expanded gradually and significantly on the basis of respect for each other's independence and sovereignty, equality, mutual interests and assistance, in a comradely and brotherly friendship and spirit.

Decree Issued on Tax Collection in Villages

BK1808102793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Aug 93

[Text] In late July, the Prime Minister's Office issued a decree giving the responsibility of collecting taxes, revenue, and fees to village administrations.

The decree thoroughly stipulates that the village administration is authorized to set the target for collection of

obligatory payments in its area and to manage it; to file reports to related services of the district together with proposed technical advice and necessary documents for collecting obligatory fees to make the actual collection work appropriate; and to publicize and explain to everyone the tax policy and encourage them to pay taxes in due course.

The village administration has the duty of issuing warnings to those who deliberately present false information or fail to pay taxes on time.

The village administration also has the duty of collecting taxes and issuing receipts to tax, revenue and fee payers, using the receipt books provided by the Ministry of Finance. The collection will then be sent to the district treasury. At the same time, the village administration is also advised to encourage and promote the growth of the economy and businesses in its area.

The decree also instructs the provinces which are ready, to urgently set up a village administrative committee. Meanwhile, the department in charge of local administration and management of state enterprise must quickly publish and extensively publicize Decree No. 102/PM on the village organization and administration.

The financial services at the levels of the ministry, province and municipality, and district, are advised to organize technical and financial training courses for the village administration, especially those responsible in those jobs, and also to regularly control, inspect, and give them advice.

The Ministry of Finance must urgently set plans to provide financial subsidies and rewards to village administrations.

The National Planning and Cooperation Committee and the Ministry of Finance are to supervise grass-roots level cadres and village administrations to jointly gradually implement this decree, starting from the places with favorable conditions before expanding to others, in order to achieve high efficiency.

With this decree, the Ministry of Finance has also issued additional instructions on the implementation of the Prime Minister's decree on handing the responsibility of collecting taxes, revenue, and fees to the local administration.

Article Marks Paper's, Lao Front's Anniversaries

BK1308135393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 13 Aug 93

[PASASON 13 August article: "Profoundly enhance the tradition of patriotism of the Neo Lao Itsala under new circumstances"]

[Text] Today, 13 August 1993, marks the 43d founding anniversary of the Neo Lao Itsala [Free Lao Front] which is today called the Lao Front for National Construction [LFNC]. It is also the 43d anniversary of the birth of the

PASASON newspaper, organ of the Lao People's Revolutionary Party Central Committee [LPRP CC]. It was the LAO ITSALA newspaper in the past.

Looking back to the past, the history of development of the Lao nation has been filled with the tradition of patriotism and dauntlessness forged by our ancestors. It is well-known in the international arena that the Lao nation has always been heroic. From 1950 to the present, the Lao front has made great contributions to the cause of the national liberation struggle against foreign imperialists and their henchmen in the past, and the tasks of national defense and national construction at present in accordance with the policy of restructuring outlined in the resolution adopted at the 5th LPRP Congress.

Implementing the 12-point political program adopted at the first national congress of the people's representatives, the Lao Front chaired by Souphanouvong at that time acted as a central source of support for all Lao people, be they men or women, adults or children, regardless of ethnic group, class, or religious belief, to closely unite and become strong, gallant forces to determinedly carry out the struggle against the imperialist aggressors, to wipe out traitors, and to regain national independence, thereby bringing peace, unification, democracy, and prosperity to the country.

Taking into account the current reality in the country and the changes in the world, the LPRP CC has intelligently defined the duties for the Lao Patriotic Front or the current LFNC. It has assigned the front to take the initiative to mobilize the people of all strata, ethnic groups, and religious beliefs on the basis of the worker-peasant alliance to fight for defending and building the country, thus making it politically, economically, and socially stable, progressive, and prosperous.

The resolution adopted at the 5th LPRP Congress stipulated that in our political system, mass organizations have the roles of rallying and mobilizing the masses to participate in defending and building the country, enhancing the people's right to mastership and democratic rights, and safeguarding the legitimate and just interests of their respective members.

Therefore, in order to make their roles more fruitful, all mass organizations must restructure the contents and patterns of their activities in various forms and colors so as to extensively mobilize the masses to join in each mass organization on a voluntary basis. Our mass organizations comprising the LFNC, the Federation of Lao Trade Unions, the Lao People's Revolutionary Youth Union, the Federation of Lao Women's Unions, and other organizations must profoundly and thoroughly grasp and appreciate our party's restructuring policy, take the initiative in educating, training, and uniting the entire masses around the party, and effectively implement the party's policies and the state's laws so as to translate into reality the spirit of patriotism of 13 August—the founding day of the Neo Lao Itsala, the Lao front which is 43 years old today.

Philippines

German Official Arrives for Trade Visit

HK1908043093 Manila MANILA BULLETIN in English 19 Aug 93 pp 1, 8

[Text] Dr Christian Kolb, undersecretary of the German Ministry for Economic Affairs and member of the Federal Parliament (Bundestag), is in the country on invitation by the Philippine Government coursed through Trade and Industry Secretary Rizalino Navarro and Foreign Affairs Secretary Roberto Romulo. Dr Kolb will pay a courtesy call on President Ramos today and meet with Navarro and Romulo. He will also visit Telefunken Microelectronic Company, the biggest German investor in the Philippines.

Tomorrow, he will visit the Subic bay economic zone and meet with Chairman Richard Gordon of the Subic Bay Metropolitan Authority.

The visit of Dr Kolb follows the Philippine-German Trade and Investment Promotion Seminar in Bonn last June 15, which was attended by Secretary Romulo and Secretary Navarro.

Germany was the third biggest importer of Philippine goods in 1992. In the first four months of this year, Philippine exports to Germany increased by another 12 percent. Germany looks forward to sending two trade and investment missions to the Philippines by October and November this year to further enhance the bilateral economic relations, its embassy in Manila announced.

Kolb is a member of the Liberal Party in Germany. He will also exchange views with the president of the Philippine Liberal Party, Sen Wigberto Tanada.

World Bank Authorizes Loan for Power Lines

HK1908034293 Manila PHILIPPINE DAILY INQUIRER in English 19 Aug 93 p 17

[Report by Gerry Lirio]

[Text] After more than a year of negotiations, the World Bank and the National Power Corp. [Napocor] finally signed an agreement on the \$110-million loan earmarked by the government to finance the installation of new transmission lines to address the power crisis. Napocor president Francisco Viray signed the contract with World Bank's officials in Washington last August 14. The release of the loan will start within the next few weeks.

Viray said a World Bank panel also agreed to elevate to the Bank's board for final approval a \$147-million loan needed by the government to finance the Leyte-Cebu geothermal complex. The project involves the construction of a 440-megawatt plant that will supply electricity from Leyte to Cebu. Final negotiation on the \$147-million loan will start in October.

Negotiations on the \$110-million was stalled after the Supreme Court stopped last January the 18-centavo increase in power rates. The increase was finally implemented on April 26. Apart from the 18-centavo increase, Viray said the World Bank approved the release of the loan after the Napocor pledged to implement the Fuel Cost Adjustment Scheme, a mechanism calling for an adjustment in power rates depending on the rise and fall of fuel prices. The Napocor has submitted a formula for the power rates adjustment with the Energy Regulatory Board, the only agency empowered to fix power rates.

Viray said the World Bank also wanted to be assured that the government-owned firm will reach a return-on-rate base [RORB] of 8 percent before the end of the year. An RORB of eight percent indicates Napocor's healthy financial status based on the bank's standards.

It was earlier believed that the 18-centavo increase could allow the Napocor to reach an eight-percent RORB. Viray said, however, that the company could only realize an RORB of a little over seven percent.

To reach its target, Napocor wants the immediate release of its tax refund of about P4 billion [Philippine pesos] from the bureaus of customs and of internal revenue.

Construction of the transmission lines actually started early this year. Napocor used about P3 billion sourced from the Oil Price Stabilization Fund as bridge financing.

The project's actual cost is \$160 million.

Former Communist Leaders Granted Passports

*HK1808031093 Quezon City MALAYA in English
17 Aug 93 p 2*

[Report by Ellen Tordesillas]

[Text] President Ramos approved yesterday the issuance of passports to former Communist Party leaders Romulo Kintanar, Satur Ocampo and his wife Carolina Malay. Press Secretary Jesus Sison denied reports that Malacanang ever opposed the granting of passports to Kintanar, former New People's Army chief, Ocampo, former spokesman of the National Democratic Front [NDF] and Malay, also a former NDF official. "No, the applications were not blocked," he said.

Foreign Secretary Roberto Romulo confirmed the Ocampos have applied for passports. "I'll be happy to issue (the passports) as soon as I'm given the authority (by the Office of the President)," he said.

A March 11 memorandum from the National Security Council to Malacanang said the justice department had declared the Ocampos as entitled to passports but that they must secure permission from the courts where cases against them are pending when they travel. In the memorandum, National Security Adviser Jose Almonte also approved the issuance of a passport to Kintanar and

Vicente Ladlad, secretary of the CPP's [Communist Party of the Philippines] Southern Luzon Commission.

Ocampo was detained twice. He escaped in 1984 when he was allowed to leave jail to vote during a National Press Club election. The Ocampo couple were arrested in 1989. Malay was released early last year while Ocampo was freed in August last year as part of the government's "confidence-building measures" to achieve peace with rebels.

Sison said Ricardo Reyes, former CPP secretary general, has not applied for a passport.

Sison Denies Leadership of CPP

HK1908072093 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 19 Aug 93

[Italicized passages in English]

[Text] It is up to the leaders of the Communist Party of the Philippines [CPP] in the country to determine whether to continue peace talks with the government. This was stressed by Jose Maria Sison, the alleged founder of the CPP, during an exclusive interview with DZMM in the Netherlands. However, Sison said one of the greatest obstacles to the peace process is President Ramos' lack of sincerity, citing the military's *total war policy* and use of *psychological warfare* against the communist rebels.

The exiled rebel leader also denied that he was running the CPP in the Philippines. According to Sison, he has long been settled down abroad and is only acting as a researcher-consultant for the movement.

[Begin Sison recording] I have long been settled down as researcher. I am only helping out in the exploratory talks. The only thing that I can boast of are the truths and the force resulting from the thoughts I have gained from my continuous monitoring and analysis of the events taking place in the Philippines. I have no other power other than those based on the correct analysis of the data coming from the Philippines. [end recording]

Thailand

Prime Minister Welcomes Malaysia Counterpart

BK1908090993 Bangkok Radio Thailand Network in Thai 0530 GMT 19 Aug 93

[Text] At Government House this morning, Prime Minister Chuan Likphai and cabinet ministers presided over an official welcoming ceremony for Malaysian Prime Minister Dr. Mahathir Mohamed on occasion of the latter's official visit to Thailand from 19 to 21 August. During the welcoming ceremony, Prime Minister Chuan accompanied his Malaysian counterpart on a review of a guard of honor mounted by the three armed services. After that, the military band played the Malaysian and

Thai national anthems. After the ceremony, the Thai and Malaysian prime ministers held official talks at Government House.

Prime Ministers Hold Talks

BK1908122393 Bangkok Voice of Free Asia in Thai 1030 GMT 19 Aug 93

[Text] Speaking to reporters about the full-delegation meeting between the parties of the Thai and Malaysian prime ministers, Foreign Minister Squadron Leader Prasong Sunsiri said the two sides exchanged views on bilateral cooperation and related mechanisms both at the national and regional levels such as the Thai-Malaysian Border Committee.

The foreign minister disclosed that the Thai-Malaysian Border Committee will not be dissolved despite the fact that the communist threat no longer exists as it can be useful in solving problems in other areas. Meanwhile, the Thai-Malaysian Cooperation Committee will concentrate on major issues. The Thai prime minister thanked the Malaysian side for its pledge to further develop cooperation. However, the situation in southern Thailand was not brought up for discussion during the two-hour meeting.

The foreign minister said that during their personal meeting, the two prime ministers discussed economic cooperation, in particular the Northern Growth Triangle Economic Development Program involving Thailand, Malaysia, and Indonesia; social cooperation; and the Cambodian problem. Other topics included tourism and Malaysia's request to export cars to Thailand which the Thai Government has no objection against because the country practices free trade.

During the meeting, the Malaysian foreign minister briefed the Thai prime minister on the concept of the East Asia Economic Caucus or EAEC. ASEAN economic ministers will hold a meeting on this issue in the next two or three months, since EAEC will operate within the framework of the Asian and Pacific Economic Cooperation or APEC.

In the afternoon, the Malaysian prime minister was briefed on Thailand's economic development by the secretary general of the National Economic and Social Development Board.

At 1630, the Malaysian prime minister, accompanied by his Thai counterpart, called on His Majesty the King at Chitlada Palace.

Security Chief Speaks on Burma, Cambodia

BK1908132093 Bangkok PHUCHATKAN in Thai 17 Aug 93 p 31

[Interview With General Charan Kunlawanit, National Security Council secretary general, by "Indochinese Information Center; place and date not given]

[Text] [Indochinese Information Center] Can you comment on Thai-Burmese relations in light of the current call for political reform in Burma?

[Charan] Thailand's stand has been very clear. That is, Thailand and Burma are neighbors and have long standing diplomatic relations. We cannot meddle in Burma's internal problems. From our view, Burma's problem is between the central government and the several ethnic groups along the Thai border, including the Wa, Karen, Mon, Shan, and Chinese Haw. Thailand's position is to be distant from this problem. The Burmese have suspicions and have asked for passage through Thai territory to suppress these ethnic groups. We have rejected the request. We do not support these ethnic groups. If we allow the Burmese forces to cross into the Thai border in their suppression campaigns we will be criticized by the world as encouraging Burma's internal discord. Also, we will have to help treat the wounded, be they Mon, Wa, or Karen.

Burma's problems includes, first, the drug problem. The Burmese Government tries to suppress opium cultivation and this has begun in Kachin State. But cultivation in the southern states such as the Shan State has continued. Second, the world community wants to see Burma adopt Western standards of democracy and human rights. The West wants to raise human rights standards throughout the world. The rights principle may be the same but standards will differ somewhat. Third, the Burmese Government has not been able to reconcile with the ethnic groups. We have to encourage reconciliation, because without it there will be no peace and the ethnic groups will flee, and go to Thailand to find jobs. The world community should look into this issue and help in the same way they have done in Cambodia, where national reconciliation is beginning to work. We must point this out to the world community. We must avoid interference in Burma but be ready to help. ASEAN has the same stand on this matter. The convening of the National Assembly in Burma, which began in January, is a good thing because it means that they are capable of communicating and bargaining with each other.

[Indochinese Information Center] Whether or not Thailand has been interfering is difficult to say. Thailand plays a considerable role in Cambodia but never thinks of it as interference. Thailand has hardly done anything in Burma on human rights, such as in the case of Aung San Suu Kyi. Can you comment?

[Charan] It is regarded as Burma's internal affair. We will only say to the Burmese that we hope they would be democratic. We will not say you "must release" her. This is our stand. The world community has told the Burmese Government to release Aung San Suu Kyi unconditionally. But we have never given such an instruction, and we did not support the Nobel laureates' trip to publicize that demand.

[Indochinese Information Center] What is the policy of constructive engagement [two preceding words rendered in English] in practical terms?

[Charan] We encourage the peaceful solution of problems, but it is not our business to force its implementation because that would be interference. ASEAN agrees with this posture of noninterference. In the eyes of the world community, the elected party becomes the government. But in Burma election is followed by the drafting of the constitution. That is the Burmese way.

[Indochinese Information Center] Will Thailand have to play a greater role as chairman of the next ASEAN meeting?

[Charan] The Foreign Ministry's permanent secretary and the prime minister have discussed the Burmese issue with the U.S. representative, Clifton Wharton. The permanent secretary has also talked to Winston Lord in June about our support for peace and dialogue between the central government and the minority groups. This is Thailand's role. Once peace materializes, democracy will follow.

[Indochinese Information Center] Burma appears not to trust Thailand, as is shown in the frequent logging and fishery problems. Meanwhile, Thailand has official and unofficial contact with the Burmese minority groups. Can you comment?

[Charan] Thailand and Burma maintain relations on the governmental level. Regarding minority groups along the border, there is no border wall, only small rivers. It is normal for the local people to have contact and it is impossible to prohibit it. Therefore, it cannot be said that Thailand supports Burmese minority groups. Local Thais may help Burmese minority groups by selling them small things. You have to look at the government's intention to see whether it instructs its local officials to support minority groups to oppose the Burmese Government.

The answer is negative. The government prohibits even such support.

The Burmese probably understand the Thai intention. But for the local Burmese officials, they see minority groups which have fought against them cross into the Thai side for lunch and, therefore, they accuse Thailand of supporting the Burmese minorities. The fact is otherwise. They must try to understand. It is impossible to build a wall. That is why we try to explain frankly so that they will understand.

Regarding the logging and fishing business, we must see whether the businessmen removed from Burma the amount they were allowed to in their concessions, and whether they paid illicit taxes to Burmese minority groups. If they have to pay such taxes they will have to try to compensate for it. This creates a problem which must be discussed. But the Thai private sector must help their country as well by not behaving in a way that could

cause the Burmese to feel that we are taking unfair advantage of them. For example, the private sector must not violate the Burmese law by fishing during the no-fishing season.

[Indochinese Information Center] How could the fishing problem be effectively solved?

[Charan] Burma will have to grant concessions if it wants to sell fish. There must be a law to ensure compliance with the concessions. If our people do not comply with the concessions problems will arise. On the central Burmese Government side, it must see to it that minority groups do not collect illicit taxes and Burmese students do not attack Thai boats. These problems must be solved together. We will protect our people if they have not done anything wrong. We must not jump to the conclusion that we are right and the Burmese are wrong. We must investigate. I have to keep abreast of all the information. Basically, we will resort to fairness to solve the problem.

[Indochinese Information Center] Can you comment on the annoying question of where the Burmese minority groups acquire lethal weapons to carry out their struggle? There are also incidents of gun smuggling by Thai boats.

[Charan] Weapons smuggling is illegal. The Burmese Government accuses Thailand of supporting minority groups by selling them weapons. Thai officials have arrested many smugglers but many have also escaped. There are reports of arrests of gun smugglers every month, but I do not know how many have escaped arrests. We have to continue to explain that we have been suppressing smugglers but that some have escaped. Like the narcotics from Khun Sa, it is now transported through Thailand to Kompong Som but we are still able to make arrests. It is annoying, but there are some who understand our cooperation in such matters.

Take the allegation about Thailand's relationship with the Khmer Rouge. The United Nations can be said to maintain relations with the Khmer Rouge as well because it acknowledged the Khmer Rouge as part of the coalition government which held the UN seat during 1982-1991. The United States and Australia were among the countries endorsing that government. Thailand followed the UN resolution and changed to open contact with the four factions. But certain countries like to level accusations against Thailand for having contact with the Khmer Rouge.

[Indochinese Information Center] Thailand's problem is that it used to support the Khmer Rouge and has not demonstrated that it has severed any level of relations with that group. Can you comment?

[Charan] This issue is similar to the one about the Burmese side of the border. We have closed the border but the local people continue to contact Cambodians on the other side of the border. We cannot stop them from trading. Foreigners are aware of this problem, but they are just jealous. They say that Thais and the Khmer

Rouge have eaten together. How can they be prohibited from contact if they are stationed close to each other. They are not children who would not talk if they are angry with each other. The question is: do we support the Khmer Rouge? The answer is negative. Are there contacts? Yes, but there is no support. I went to the Khmer Rouge area in Banteay Meanchey Province and saw a UNHCR officer there. He was an American and has worked with the Khmer Rouge. The world did not condemn him for helping the Khmer Rouge to dig wells, set up hospitals, and distribute food.

[Indochinese Information Center] What would the relationship between Thailand and Cambodia be like after the UNTAC withdrawal?

[Charan] UNTAC's mandate as given by the United Nations includes establishing a ceasefire. But, UNTAC has failed to get soldiers to lay down arms and return to their camps. The combining of armies of each political party into the national army has also been unsuccessful. National reconciliation has not been achieved as there is occasional fighting. However, the successful organization of the election is praiseworthy. These are the UNTAC duties. Once they are completed UNTAC will have to leave Cambodia. The timing of the UNTAC departure is up to the United Nations, and the Cambodian people will let it know if it should stay or leave. If the UNTAC is to remain in Cambodia it will have to be given funds.

However, the unfinished mission has become a time bomb. There could be finger-pointing after the UN withdrawal to the effect that nothing is accomplished after the withdrawal.

[Indochinese Information Center] What would Thailand's direction be in the light of the possible repercussions from the time bomb?

[Charan] We will not be setting new directions but will try to defuse the bomb. We highly praise the start of the reconciliation process among the four Cambodian factions. Thailand condemns any use of force by any faction. We want to help bring a better life to the Cambodian people.

[Indochinese Information Center] But the Khmer Rouge has tried to play outside the rules by not participating in the election and conducting military operations.

[Charan] My view as an outsider is that there was Khmer Rouge participation in the early stage—it signed the peace agreement. Khieu Samphan was physically beaten after formation of the coalition government and the UN Advance Mission in Cambodia. Though the man was unarmed, he was beaten. With that kind of first impression, you cannot expect his men to lay down their arms then.

Moreover, the agreement calls for UNTAC [UN Transitional Authority in Cambodia] to administer five ministries. The Khmer Rouge request to join the administration was rejected. UNTAC itself was unable to run the administration and allowed the factions to do it. This was not in compliance with the agreement. So the Khmer Rouge cannot not be blamed for withholding cooperation. They called for the verification of the Vietnamese presence. The UNTAC replied that a Vietnamese letter was sufficient verification. How could the UNTAC make such a reply? I suggested to Akashi and Sanderson that verification should be carried out so that the world will know that it was done. Also, it will settle the question of the Khmer Rouge role in the joint administration. They did not adopt my suggestion.

[Indochinese Information Center] What will the next action be?

[Charan] The Cambodian people will be allowed to make their own decision. Too many cooks spoil the soup. [previous sentence rendered in English] Interference should be avoided. Action should be taken only at the request of the Cambodian people. I am very pleased that the ASEAN foreign ministers meeting agreed that there would be no interference. We are pleased with this mature position. The Cambodian issue will improve if we help to better the living conditions of the Cambodian people and if the factions concerned effectively share the interests. We will look at the Cambodian problem as neighbors of the Cambodian people and fellow Asians and try to solve it based on the real situation in their country.

[Indochinese Information Center] Does this mean that from now Thailand will have to promote economic and trade ties and investment in Cambodia?

[Charan] It means that we will encourage our people to do it. The overall picture is that we want to improve the living conditions of the Cambodian people and to see the Cambodian state earn revenue. When possible, we will buy whatever they want to sell. If they want us to help develop communication routes and railway lines, we will have to discuss if they can finance it or have consultations in a more business-like manner.

[Indochinese Information Center] When can we resume logging and gem mining in the Khmer Rouge areas?

[Charan] The problem started when the United Nations wanted to block the Khmer Rouge from the logging and gem business. It is now up to the new government to decide; no interference is possible. If the new government wants to do business it will earn revenue. It is up to the new government how it wants to sell its products. Regarding when business dealings can take place, I can tell you that the new government will be formed after the promulgation of the constitution—after September.

[Indochinese Information Center] What will happen in the Khmer Rouge areas that are inaccessible to the new government?

[Charan] That is the Western way of partition. Cambodia has its own sovereignty. The government will decide for itself which areas it wants to grant concessions. It will be up to the Cambodian Government to decide on the border opening or its crossing points, and it is up to us how we want to shape relations between the people of the two countries.

Article Considers Joint Cambodian Relations

*BK1808101593 Bangkok Voice of Free Asia in Thai
1030 GMT 16 Aug 93*

[Station article: "New Era of the Thai-Cambodian Friendship"]

[Text] Dear listeners: The co-prime ministers of Cambodia, Prince Kromluong Norodom Ranariddh and Hun Sen, paid an official visit to Thailand on 12-15 August as guests of the Thai Government. It was the first visit in a decade by high-level Cambodian Government leaders, recognized by Thailand in accordance with international law.

Dear listeners: Over a month after it assumed control of the administration due to the recognition of the Constitutional Assembly, the Provisional Government of Cambodia has adjusted foreign policy, thus projecting the new image to the international community that it is determined to have peace and a peaceful coexistence with its neighbors. Cambodia's new foreign policy indicates a respect for territorial integrity and the borders of its neighbors. It promotes economic cooperation, trade, cultural, scientific, and technological cooperation with neighboring countries. In a bid to adjust relations with neighboring countries, the two prime ministers of Cambodia planned official visits to those countries after all factions have, to a certain extent although not entirely, settled their internal political problems. The two Cambodian leaders began by visiting the LPDR [Lao People's Democratic Republic] on 22-30 July. Thailand was the second country on their itinerary. Next on their schedule will be the SRV.

Kromluong Prince Norodom Ranariddh and H.E. [His Excellency] Hun Sen know the Thai leaders already, and therefore are no strangers to Thailand. If we look back at the time when Thailand adopted a policy of opening up for trade with Indochinese countries, in late 1989, Thai businessmen showed their interest in trade and investment in Cambodia—as many as 90 projects were registered. With political change in Cambodia, there should be more or less impact on Thai businessmen investing in that country.

The new economic policy of Cambodia, that of the three-month provisional government or the new national government to be formed after the drafting of the constitution is completed, would aim to restore the national economy and save it from the disaster caused by the protracted civil war which lasted 14 years. The economic policy to be incorporated in the constitution says that the Cambodian Government will concentrate on major

problems and promote businesses in various sectors which serve as the economic foundation of the country.

Ahead of the publication of the new economic policy in the constitution, the Provisional Government of Cambodia has already made preparations for economic rehabilitation. Finance Minister Sam Rangsri stated on 26 July that the old economic system, with no criteria and no regulations, would be changed. In order to create confidence among foreign entrepreneurs, he would try to push for enactment of a new investment law within the framework of the existing investment situation. There will also be a review of investment contracts with foreigners which adversely affect Cambodia's national interests in general. The finance minister said that there could be certain contracts which had been signed between the [Cambodian] government and foreign firms could be cancelled. He stressed that measures will be taken to stamp out the problem of official corruption, especially the bribing of high ranking government officials in exchange for rights and concessions in various projects.

Dear listeners: With that policy in view, investments by Thai businessmen will certainly be affected, but not all of them. Several investment projects by Thai businessmen served as a foundation for economic rehabilitation in Cambodia. They are, for example, finance and banking, and the development of communications via public utilities. They are the areas where Cambodia must depend on Thai entrepreneurs for help. It is therefore hoped that Cambodia would not cancel all contracts entirely, but seek to hold high-level discussions with Thailand in order to review the business contracts, making them fair for both parties and based on the principle of mutual interests. From now on, there should be a new dimension in terms of justice concerning trade and investment projects in Cambodia. It should no longer be an exploitation of one party by another.

Cambodia adopted a policy based on UN Resolution 792/1992, enforced on 31 December 1992, banning exports of logs and gems. On 2 June 1993, the Interior Ministry allowed two border points to be opened for the transportation of logs—Chong Chom, in Kap Choeng District, Surin Province, for transport of logs by the Thai-Japanese Company for Forestry and Reforestation; and Chong An Ma in Nam Yun District, Ubon Ratchathani Province, for transportation of logs by the BLP Company. This development would pave the way for direct trade in logs and gems between Thailand and the Cambodian Government in the future. Thailand may seek to buy logs and gems from Cambodia, or even apply for concessions in logging and gem mining in Cambodia under the Cambodian Government's policy of protecting the environment without causing damage to it, as has already happened in Thailand. Trade contracts will also be based on the principle of equality, and not acts of exploitation aimed at solely reaping the highest profits.

Dear listeners, the policy being drafted by the Cambodian Constitutional Assembly stipulated that the Cambodian Government will promote foreign investment, but national production must be safeguarded above all else. Forestry and gem exports, as they have been throughout time, are major income sources for Cambodia. The new Cambodian Government will, from now on, take stringent measures to stop forestry poaching and illegal gem mining. Businesses without concessions will not be tolerated.

The Cambodian economy is near a state of collapse. Cambodia is short of foreign exchange and there is substantial inflation. The Cambodian Government needs financial assistance and other forms of support for reconstruction of the country. UNTAC [UN Transitional Authority in Cambodia] chief Yasushi Akashi said that before the withdrawal of UNTAC personnel in late August, he would make an urgent effort to try to get the international community to support Cambodia with financial aid. Cambodia needs a minimum of U.S. \$30 million to pay the salaries of officials, soldiers, and policemen. The United Nations has approved U.S. \$17 million for this. Besides, the UNTAC chairman said that the United Nations would move urgently to help the ethnic Vietnamese still stranded at the Cambodian-Vietnamese border. The Cambodian authorities have denied passage for those Vietnamese people wishing to return to their homeland.

Dear listeners: UNTAC chief Yasushi Akashi reported to newsmen on a discussion he had with Prince Norodom Ranariddh and Hun Sen, where he said that he supported full rights for the Vietnamese people to return to their homeland in Cambodia—a group of about 25,000 ethnic Vietnamese who fled their homes for Vietnam in March and April in the wake of crackdowns by the Khmer Rouge.

Dear listeners: At the international conference on assistance for Cambodia held in Tokyo in June, donor countries pledged to give U.S. \$880 million to Cambodia. So far, only \$160 million has been received. Cambodian leaders could look to Thailand as a neighboring country with the economic potential to help Cambodia in the development of human resources, public utilities, energy, and scientific cooperation in order to enable Cambodia push ahead with its plan for national rehabilitation. Assistance is therefore another dimension in the Thai-Cambodian relations. This will create mutual trust, which is essential for future trade and investment ventures between Thailand and Cambodia.

On the question of security, Cambodia wanted to negotiate with Thailand for the opening of more border crossing points to promote border trade. Meanwhile, Thailand wanted to solve the problem of crime, especially robberies, along the border. Shortage of consumer goods and starvation forced Cambodians to rob Thai border villagers. Cooperation in this area has been continuing smoothly, however. A few years earlier when

border trade between Thailand and Cambodia was possible, Cambodian people enjoyed a good standard of living from income earned from trade, and there was no big crime problem along the border. It is therefore hoped that when both countries are ready, more border crossings will be opened for Thai-Cambodian trade.

Dear listeners: It depends on the Cambodian parties whether national reconciliation among the four Cambodian factions is achieved and the new government formed. Thailand has no power to force any of the factions to accept or reject participation in the new government. Thailand truly supports a genuine national reconciliation, which is vital for peace in Cambodia. No one can predict how the new era of Thai-Cambodian relations will proceed. Yet, there are several positive signs for the relations based on assistance and cooperation within the international framework, and based on the principle of equality and mutual benefit.

Chuan Vows To Ease 'Volatile' Situation in South
BK1808011593 Bangkok THE NATION in English
18 Aug 93 pp A1, A2

[Text] Prime Minister Chuan Likphai vowed yesterday to ease the volatile situation in the deep South, while Government House sources said he might seek help from his Malaysian counterpart Mahathir Mohamad who visits Thailand tomorrow.

"The government is confident that it will be able to control the situation and get it back to normal," Chuan told reporters at Government House after some 25 guerrillas killed two soldiers in an ambush in Yala.

Chuan said information from the Defence Ministry indicated that the ambush could have been carried out by the same movement responsible for the torching of 35 schools in Yala, Phatthani and Narathiwat earlier this month.

The prime minister instructed Defence Minister Wichit Sukmak to visit the region to get first-hand information.

"When he comes back (from the South) I will call a meeting of all responsible agencies to map out a clearcut strategy," Chuan said.

He added that local security officials have been ordered to be on full alert and closely monitor the situation.

"Many reports we have received are unusual," Chuan said without elaborating.

Chuan said senior officials discussed, without any conclusion, a possible link between the ambush and Mahathir's visit.

The Muslim separatist movement has been a thorny issue in the otherwise smooth Thai-Malaysian relations. Kuala Lumpur has repeatedly denied the guerrillas have received support and sanctuary inside Malaysia, but

local Malaysian politicians in the north have always expressed sympathy with the movement.

The Government House sources, who asked not to be named, said the Foreign Ministry had suggested that Chuan seek Malaysia's help in suppressing the guerrillas, who have been taking sanctuary in rugged jungle along the border.

The sources said Chuan was asked to seek Malaysia's help in suppressing the guerrillas who fled across the border into Malaysia's Kelantan state.

"The separatists (who attacked the southern schools) may have already fled to Malaysia's Kelantan state, where they usually have their hideouts," one of the sources said.

"Thai authorities hope that the Malaysian government will be willing to help its neighbouring country solve the problems."

Mahathir starts his three-day visit tomorrow at Chuan's invitation. Chuan will hold a welcoming ceremony for Mahathir, who will immediately be engaged in talks with the Thai premier at Government House.

The sources said if Chuan agrees, the issue of the separatists will be raised during the session.

The same sources said border problems between Thailand and Malaysia will be among the issues the two prime ministers will discuss. The border between the two countries is still unclear in some areas, particularly near Songkhla's Sadao district.

Minister Fails To Name Group Responsible

*BK1808014793 Bangkok BANGKOK POST in English
18 Aug 93 p 1*

[Text] Interior Minister Chawalit Yongchaiyut yesterday failed to state clearly who was behind the arson attacks on 34 southern schools earlier this month saying simply it was the work of a new terrorist-style movement.

He said the attacks were well-planned and coordinated.

Gen [General] Chawalit's announcement followed a two-hour meeting with Fourth Army Region commander Lt-Gen [Lieutenant General] Kitti Rattanachaya, Local Administration Director-General Chuwong Chayabut, Police Director-General Sawat Amonwiwat, Deputy Interior Ministers Den Tomina, Chamni Sakdiset and Suthat Ngoenmuen, and representatives of the National Intelligence Agency, National Security Council and Foreign Ministry.

A conflict of interest is believed to be the motive of the attacks, he said.

Gen Chawalit said authorities still needed more information to confirm this conclusion.

"Since the movement is big and well organised, the authorities need time to verify their information," the minister said.

Gen Chawalit said it could not be concluded if yesterday's ambushes in Yala were related to the torching of the schools.

He said there had been attempts by groups of bandits, including those responsible for yesterday's ambushes, to exploit the situation after the arson attacks.

Authorities are now concentrating on preventing a recurrence of the attacks but will not resort to using force in the suppression of troublemakers.

Police Department legal counsel Gen Sanan Tuchinda, head of the police team investigating the attacks on the schools, said there was sufficient evidence to prosecute Kuma Nase alias Toh Kuheng Kawtawnilo, the only suspect arrested in connection with the case.

Pol Gen [Police General] Sanan yesterday questioned Mr Kuma for about an hour at Phahon Yothin police station.

Mr Kuma denied the charge but police interrogators are confident they have sufficient evidence to prosecute him, he said.

A clipping of an editorial from a Malaysian newspaper on the Pattani United Liberation Organisation (PULO) seized from Mr Kuma when he was arrested will be used as evidence, said Pol Gen Sanan.

Deputy Permanent Secretary for the Interior Chaiwat Hutacharoen said an intelligence report from Yala raised the point that a small group of Islamic teachers from Thailand secretly trained in Libya attended a meeting late last month in Malaysia's Kelantan State.

The meeting was held only a few days before the attacks on the schools in the three southern provinces.

Among the participants from Thailand, the report said two were from Yala and two from Narathiwat.

It also said the meeting agreed to attempt to create unrest in Thailand.

Special Task Force Established

*BK1808014993 Bangkok BANGKOK POST in English
18 Aug 93 p 3*

[Text] A special task force of military and police officers will be set up to protect the South in the wake of the recent arson of 34 schools and the grenade attack on a Buddhist temple, Defence Minister Wichit Sukmak said yesterday.

Gen [General] Wichit did not provide details of the task force but said that soldiers would cooperate with Interior Ministry officials to protect and look after the lives and property of people in the South.

Normally such cooperation already existed but the establishment of the task force would further this cooperation, he said.

He said he had not yet received a report on whether the task force would become permanent but thought that whether or not this would happen would depend on the need.

He said that soldiers were already responsible for security at the border area and they had also been coordinating work with Malaysia and had reached many agreements on the issue.

As for Thailand's help for Cambodia in the economic, social and military fields, Gen Wichit said Cambodia was to make detailed proposals about what it wanted first. After this was done efforts could be made with various Thai agencies responsible for the particular work to see what could be done. Democrat MP for Narathiwat Surachet Wae-asae claimed a group of influential people who had massive financial support were behind the torching of schools in the South to destabilise the Government.

He said that had separatist bandits committed the offence, the authorities would have had the information by now.

He said that several police and military investigating teams had been sent to the South, but all came out with conflicting information.

A top police officer of the 4th Region Provincial Police Bureau recently complained that he did not receive cooperation from policemen in the field on the arson case.

Finance Committee Decides To Cut Film Tariffs

*BK1808010393 Bangkok THE NATION in English
18 Aug 93 p B1*

[Text] The Finance Ministry's customs tariff committee decided at yesterday's meeting to cut tariffs on cinematography films by 33 per cent—to Bt[baht]20 per metre—despite Washington's demand to scrap the duty completely.

The committee, chaired by Withichai Phongprasit, deputy permanent secretary to finance, was doubtful whether it was worth exchanging tariff cuts on movies for the similar treatment for certain Thai exports to the United States.

The officials, who included Somchai Ruchuphan, director-general of the Fiscal Policy Office, took 90 minutes to settle on the new rate.

Washington, earlier, proposed to cut the tariffs on certain Thai exports, such as garments, on condition that the Thai government axed the duty on film imports.

An official said, "The US officials did not make it clear what the proposed-items were. And also, Washington

has yet to indicate if the cuts will be on either a permanent or a temporary basis."

"The US offered some privileges on export quotas for canned tuna or textiles, but they did not say how long the privileges would last and the amount of the proposed-quotas," the source said.

Moreover, the Finance Ministry has to consider the possible impact of the tariff cut on the local film industry.

The International Economic Relations Policy Committee last Friday agreed to lower the tariffs on motion picture imports to comply with the US request.

The Finance Ministry will propose the Bt20 per metre tariff to Cabinet next Tuesday. "Cabinet will have a final say on the rate," the source added.

Vietnam

U.S. Oil Companies Asked To Aid Oil, Gas Industry

*BK1908021593 Hanoi Voice of Vietnam in English
1000 GMT 18 Aug 93*

[Text] Vietnam has renewed an invitation to U.S. companies to come and join in the development of its oil and gas industry. Petro-Vietnam Director General Ho Si Thoang said on Monday that all such companies were invited. Dr. Thoang said American oil companies were strong in exploration, processing, production, and refining. They have highly developed technologies and rich experiences in oil activities, and also in financial arrangement.

Radio on Treatment of Cambodian Vietnamese

*BK1708121393 Hanoi Voice of Vietnam in English
1000 GMT 17 Aug 93*

[Station commentary]

[Text] The Khmer Rouge are intensifying the campaign to eliminate Vietnamese residents in Cambodia. Here is our radio editor's opinion:

Last week, the Khmer Rouge killed two Vietnamese residents and abducted a number of children in a fishing village by Tonle Sap Lake. Up to now, these children are still reported as missing.

Prior to the May general election, the Khmer Rouge massacred about 100 Vietnamese residents in an area near Tonle Sap Lake. A new government has been since set up in Cambodia following the general election. But the life of Vietnamese legal residents in Cambodia is still in danger.

Since early July, 104 Vietnamese people have been killed and 61 other injured in nine major attacks. These brutal massacres forced 30,000 Vietnamese people, most of

them fishermen, to flee to Vietnam. Now, they are waiting for the Cambodian Government to allow them to return to their land in Cambodia. These people are reported have lived in Cambodia for many generations and all have an identification card. But the Cambodian Government has no clear cut answer to the problem, particularly as these displaced Vietnamese are threatened by famine.

It is hoped that the Cambodian Government and the UNTAC [United Nations Transitional Authority in Cambodia] will soon settle this problem in accordance with international laws and practices on foreign residents living legally in their country. Meanwhile, Vietnam has many times issued statements condemning the brutal killings of Vietnamese residents in Cambodia and called on the Cambodian Government and the international community to take appropriate measures to ensure the peaceful life of Vietnamese residents as well as other foreign residents in Cambodia.

Embassy Condemns Killing

*BK1808151393 Hanoi VNA in English 1410 GMT
18 Aug 93*

[Text] Hanoi VNA August 18—The Vietnamese Government and people vehemently condemns the Khmer Rouge's new killing and abducting of ethnic Vietnamese in Cambodia and demand that they stop the cruel acts and violence-inciting campaign against Vietnamese residents in Cambodia.

This comes in a note of August 17 lodged by Vietnamese embassy in Cambodia with the Cambodian Supreme National Council and the UN Transitional Authority in Cambodia (UNTAC), the Ministry for Foreign Affairs of the Cambodian Provisional National Government.

The note quotes foreign sources as saying that an armed group of the Khmer Rouge on August 13 abducted 11 Vietnamese residents including 8 children living in Kompong Chhnang and on Aug. 15 the body of a woman who was part of that group of 11 was found, and at the same time a medical doctor of the Vietnamese origin living there was killed after being abducted by the Khmer Rouge.

The note continues: "Vietnam urgently calls on the Cambodian Provisional National Government and UNTAC to take drastic measures to check in time the Khmer Rouge's bloody hands and create favourable conditions for Vietnamese residents to have a normal and peaceful life as other foreign residents in Cambodia".

"Vietnam also earnestly calls on the international community to strongly condemn the Khmer Rouge's above-said acts of ethnic discrimination and violations of human rights, and force them to abide by the provisions set out in the joint declaration on human rights".

National Assembly Delegation Feted in Laos

*BK1708145793 Hanoi VNA in English 1439 GMT
17 Aug 93*

[Text] Hanoi VNA August 17—The visiting delegation of the National Assembly led by Chairman Nong Duc Manh was given a banquet in Vientiane on Monday evening by President of the Lao Supreme People's Assembly Samane Viyaket. Addressing the dinner President Samane Viyaket said the Lao Supreme People's Assembly and People warmly welcome the achievements in all fields gained by the Vietnamese people in their renovation process under the bright, correct leadership of the Communist Party of Vietnam. On the Lao-Vietnamese bilateral relations, he reiterated the Lao people's sentiments towards the friendship, special solidarity and all-sided cooperation between the two countries.

In his speech Chairman Nong Duc Manh praised the Lao people's great achievements in their national construction and defence along the renovation line. He expressed his belief that under the bright leadership of the Lao People's Revolutionary Party Central Committee, the Lao people will gain still greater achievements in the implementation of the resolution of the 5th Lao party congress to build Laos in peace, independence, democracy, unification and prosperity, and constantly raise its prestige in the region and in the world. He expressed his satisfaction at the constant consolidation and development of the special relation and all sided cooperation between the two countries on the basis of respect for each country's independence, sovereignty, of peace, mutual interest and assistance in the spirit of comradeship and brotherhood.

In the morning of the same day, the Vietnamese delegation laid a wreath at the unknown fallen combatants' monument in the Lao capital.

In the afternoon, the delegation visited the construction site of the Lao-Thai-Australian Friendship Bridge, 18km south of Vientiane, and That Luang, a cultural and historic relic in Vientiane.

Chairman Nong Duc Manh and his party also called on Souphanouvong, advisor to the Lao Party Central Committee.

Thailand Proposes Rice Trading Cooperation

*BK1908022393 Hanoi Voice of Vietnam in English
1000 GMT 18 Aug 93*

[Text] Thailand wants to cooperate with Vietnam to open a rice market on Thai soil, and to turn the region into a world rice trading center. The plan has been advanced by the Thai Ministry of Trade, and is based on the fact that the two countries are the world major rice exporters, accounting for about 50 percent of the total rice export. The proposal also includes that Thailand and Vietnam share their production technologies.

Party Members' Performance in First Half of '93*BK1708104593 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 16 Aug 93*

[Text] In a recent issue, the Army paper QUAN DOI NHAN DAN reported that in implementing the party statutes and the party Central Committee Military Commission's Resolution on Renovating and Revamping Party Organizations, in the first half of 1993, party committee echelons and party organs of control at all levels have examined the adherence to the principles governing the organization of party activities, preservation of party members' revolutionary ethics, and observance of operating procedures by 11,720 party members and 303 lower party committee members. Party organs of control at all levels alone reviewed the performance of 2,281 party members, with special attention being paid to assessing the performance of cadres in charge, lower party committee members, party members who violated discipline or who were denounced by the masses, and party members who were rated average by the evaluation reports made in late 1992.

The evaluation results indicate that a total of 562 party members was subjected to disciplinary measures due to violations. Of this number, 139 party members were expelled from the party.

Nonetheless, the quality of evaluation work by number of units is still limited, especially when it comes to making self-evaluation reports. The pace of post-evaluation progress remains slow. The same remark is also correct when it comes to adopting disciplinary measures against violators. The evaluation results also indicate that the number of party committee members who comply with operating procedures still remains small, thus failing to meet evaluation requirements.

External Activities of State Bank Reviewed*BK1708065993 Hanoi VNA in English 0637 GMT 17 Aug 93*

[Text] Hanoi VNA August 17—An important task of the state bank in its external relations is to draw more investment capital from foreign countries to meet the demand of economic development of the country.

In the first half of this year, the bank signed agreements to borrow a total of 575 million USD [US dollars] from Taiwan and Switzerland at preferential interest rates to invest in medium and small-size enterprises in Hanoi, upgrading Highway 5 and a number of other important economic projects. In cooperation with the irrigation service the bank has negotiated and signed an agreement to borrow 16.5 million USD from the fund of Kuwait to build the Ya Dun irrigation project, and signed bilateral payment agreements with Malaysia and China. It has begun implementing financial agreements signed in 1992 with France, Italy, Thailand and other countries.

On the other hand, the bank continues promoting and improving cooperative relations with international

financial and monetary organisations. At many international conferences, these organisations, especially the World Bank [WB], the International Monetary Fund, and the Asian Development Bank [ADB], highly appreciated the achievements recorded by the Vietnamese people in their current renovation process and Vietnam's close cooperation with these organisations. Many IMF delegations have come to Vietnam to discuss with the state bank and offices concerned preparations for the normalisation of relations with these organisations and the establishment of a support group to help Vietnam pay the outstanding debts and borrow 300 million USD. Many WB and ADB experts have come to Vietnam to directly examine the programmes and projects which should be given priority. For instance, WB has prepared four projects capitalized at 400 million USD in transport, agriculture and primary education. ADB has worked out five projects valued at about 300 million USD for infrastructural construction, transport, agriculture, irrigation and water supply for urban areas.

Vietnam has adopted plans to repay the outstanding debts to IMF at an early date so that IMF could resume its loans. More than 10 economic programmes and projects are under active consideration and loans could be disbursed late this year.

NHAN DAN Marks Aug Revolution, Hails Socialism*BK1908074193 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 18 Aug 93*

[NHAN DAN 19 August Editorial: "Develop the Spirit of the August Revolution in Order To Make the Country Powerful, Make the People Prosperous, and Enhance Civilization for Society"]

[Text] In Autumn 48 years ago, the August Revolution marked a brilliant event in the history of the Vietnamese nation, thus ushering in a glorious uprising in our country's evolution process and leading the nation to an era of independence and socialism.

The Vietnamese people—with their intelligence and courage—have placed their firm confidence in the party's leadership and its effective strategies. This has once again shown that our people have adhered to the developmental path chosen by Uncle Ho and our party in the early years of the 20th century. To combine national independence with socialism and national and social liberation with the freedom of man is always the objective of our revolution as well as the ideal of various Vietnamese generations in their struggle. Due to the determination to fulfill these noble objectives, the Vietnamese revolution encountered various hostile forces and underwent many acute ordeals. Eventually, we scored victory in the August Revolution, thereby being enabled to establish the new administration, effectively protecting the revolutionary gains, and winning the arduous struggles for total victory. All these should be attributed to the sacrifices made in flesh and bone by

countless numbers of our beloved patriots and generations of the Vietnamese people.

Although we have undergone numerous difficulties and made countless sacrifices for the August Revolution and various wars of resistance for national independence and liberation, we have only recently liberated our nation from foreign domination, oppression, and misery. More challenging tasks, however, are still awaiting us. These include the efforts to extricate ourselves from poverty, eliminate injustice in society, provide a bountiful life for our people, and lead our country to a true, long-lasting independence.

It can be said that the Vietnamese people can better describe the distress caused by poverty and inferiority, which is no less painful than the misery experienced under the yoke of foreign domination. The mission of making the country powerful, making the people prosperous, and enhancing civilization for society in accordance with socialist orientations and against the background of complicated changes in the world is therefore not an easy task. It is an acute ordeal for the ruling Communist Party and a nation that seeks a role in the international community.

While implementing our nation's renovation undertaking in accordance with the socialist orientations, we have carried on the spirit of the August Revolution, integrated the national strength with that of the era, and combined national independence with socialism in the new conditions.

Following the sixth and seventh national party congresses, the Party Central Committee has issued resolutions to concretize and assert our nation's developmental path in various domains, especially in socioeconomic development and in building the party. We have made great efforts in formulating forms, policies, and models to optimally develop the nation's potentials while absorbing scientific-technological advances of the world, integrating efforts to fulfill the objectives of working for our people's happiness, and firmly maintaining our party's leadership and enhancing its role in all tasks.

Thanks to these efforts, our country has overcome numerous difficulties and adversities during the past several years, by means of which it has been enabled to firmly maintain political stability and bring about initial, yet very important, achievements in the socioeconomic domain.

The renovation undertaking has brought about good opportunities and favorable conditions, yet we still have numerous difficulties and great adversities to overcome. To make further progress in truly extricating our nation from the current socioeconomic crisis so as to progressively move toward prosperity, it is necessary for our cadres, party members, and people to make their utmost efforts to bring all potentials into full play in order to build the country and to effect a balanced progress in the socioeconomic, national security and defense, and foreign affairs domains.

With a strong determination to uphold the spirit of the August Revolution, develop favorable conditions, and overcome all difficulties and adversities, we will certainly bring about ever greater achievements in our renovation undertaking, which is aimed at making the nation powerful, making the people prosperous, and enhancing civilization for our society.

Army Paper on Path Toward Socialism

BK1808123793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Aug 93

[QUAN DOI NHAN DAN 17 August article by Quang Thong entitled: "The Advance Toward Socialism Is Irreversible"]

[Text] Choosing a nation's path is a vital issue because it affects the survival of the people of that nation. The path should not be charted on the basis of subjective intentions or on prejudices. Rather, it must stem from the realities of society, the law of evolution, and aspirations of all people. The path must be able to motivate all people nationwide. The Vietnamese people have chosen a path toward socialism to build Vietnam into a happy, prosperous, and strong nation. Making the country powerful and the people prosperous are the aspirations of all Vietnamese and the objectives of our revolution. This is the goal our party is striving to achieve and the dream longed for by our esteemed Uncle Ho.

In the eyes of many people, the wealth of a capitalist society is very alluring. Some even claim that we experienced poverty because we did not choose the capitalist path, that we did not get in touch with the capitalist world, and that we hastily bypassed capitalism in the advance toward socialism. Some fanatics have even misunderstood that upon proclaiming that we are taking the capitalist path, that developed countries will immediately jump in to invest in our country, and that in a couple of days we will be able to extricate ourselves from poverty and regain a bountiful life for our people.

In any era, there are positive and negative sides to earning money and attaining happiness. It is very exciting to have money, but we must work hard and make great efforts to earn it. Some even have to sacrifice honor and dignity for it. If money from the capitalist world is unconditionally given to anyone who sides with them, then the world at this juncture of the 20th century will not have to witness—through television—the cruel famine in many African countries.

To admire the capitalist world for its wealth and to think that we may seek its help to bring about a bountiful and happy life to our people is tantamount to remaining idle and waiting for windfalls. Says a Vietnamese proverb: *Though a man is poor, his ambition is not.* Since the founding of their nation to the present modern era, the descendants of Hong and Lac [Hong Bang and Lac Lung were founders of the Vietnamese nation] have led a dignified life, living on their own capabilities. The history of the Vietnamese nation testifies to the sacrifices of

its leaders for the people's happiness. National hero Tran Binh Trong once told Chinese leaders that he preferred to be a commoner in Vietnam rather than a king in China at the cost of losing the independence of the Vietnamese people. This shows that for the Vietnamese people, we will not seek happiness at the cost of our honor and dignity.

It is necessary to say that our party's open door policy of befriending all countries of the world is aimed at cooperation for economic development, on the basis of equality and mutual interest. It is absolutely not our policy to beg for money or help.

Obviously, it is impossible to follow the capitalist path and to beg for wealth, and yet maintain independence and freedom. This is just a pitiful illusion.

Many people admire and recognize as a natural phenomena the existence of various developed capitalist countries presently enjoying wealth, without studying in depth their history and developments. In fact, all wealthy capitalist countries have been engaged in industrialization for hundreds of years. Many of them have undergone centuries of national reconstruction after wars and destruction. For this reason, to yield to the influence of these imperialist capitalist nations without a careful study of their background is a dangerous concept that will surreptitiously damage us in the future.

Japan is known for its marvelous economic growth. Nonetheless, before the start of the Second World War, a huge defense-oriented industry already existed in that country. The dropping of two U.S. atomic bombs put an end to the war and caused untold suffering to many generations of Japanese. This incident, however, could not wipe out Japan's industrial potential at that time.

We do not intend to use the above-mentioned facts to justify the backwardness of our economy. We need to realize these truths because if we fail to do so it would be tantamount to comparing the results of a race between a contestant who runs on foot and another who rides a horse.

The subject of neocapitalist accumulation is worth discussing. The surplus value—the art of exploiting the working-class people to the fullest—which Marx has discovered, is the source of capitalist accumulation. Through a long process of accumulation, the capitalist and imperialist forces have fully exploited the sweat, bones, and blood of the working-class in both colonial and mother countries. As Uncle Ho put it, capitalism is an octopus with two rows of suckers on peoples in both colonial and mother countries. This is a very vivid example of capitalist accumulation.

The Taylor management system is regarded as the perfect art of overseeing the performance of enterprise workers. Under this system, people work like machines. Precision is so high that no unnecessary step is allowed. The application of such a system means success for the management but is also a terror for the working-class.

Being a slave in a colonial country and through his 30 years of harsh work in the various capitalist countries and exploited colonial nations, President Ho Chi Minh knew more clearly than anybody else the right path for our people to follow and the goals we must opt for. Thanks to his boundless compassion and profound love for the country and people, President Ho Chi Minh has seen clearly through the true nature of the capitalist forces and has nurtured deep hatred for their exploitative measures.

In the name of today's new thinking, some people have raised the issue again to reverse the course of the path chartered by Uncle Ho. As far as the renovation undertaking is concerned, we have just applied a number of experiences gained by the capitalist world—and also by mankind as a whole—to the management of the various forms of enterprises, to the multisectorial economic structure, and to the commodity economic mechanism. Apart from positive aspects, there are numerous negative phenomenon such as unemployment, a big gap between the rich and the poor, unfair income distribution, and a depraved lifestyle.

It is necessary to open our door to the world to learn new things and avoid mistakes. Nonetheless, we should not use comfort and admiration as instruments to gauge the magnitude of our poverty and difficulties and henceforth, let ourselves be overwhelmed by doubt and disorientation. Such an attitude is unacceptable.

If we want to make the people rich and the nation powerful at a time when our country is still very poor and faces towering difficulties, we must expect a very long and arduous struggle. We should not expect other people to shoulder our task. There are no such things as godsend. Rice is good to eat. Nonetheless, it is the fruit of painful work.

We should keep the people out of harm's way arising from power struggles. After having suffered extensively from the wounds of war, our people are now beginning to build a new life. Against such a backdrop, it is impossible for us to let them be engulfed in a society where ruthless competition compels people to harm one another for survival like in the pre-bourgeoisie era.

Our party has chosen the path for the Vietnamese fatherland to follow. To persist in socialist goals, apply a comprehensive renovation policy, and secure political stability form a completely correct path to follow. This move responds to the aspirations of the entire people. The potential of the nation has been tapped. The path to socialist construction in Vietnam is irreversible.

Buddhists Denounce 'Leading' Dissident Monk

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[Text] Hanoi, Aug 18 (AFP)—Members of Vietnam's officially recognised Buddhism met in Ho Chi Minh City last week to denounce the "erroneous acts" of monk and

leading Buddhist dissident Thich Huyen Quang, military newspaper Quan Doi Nhan Dan said Wednesday.

Overseas Vietnamese Buddhists have often protested at the repression by authorities of the unofficial United Buddhist Church, which has refused to be controlled by the communist party and has demanded the separation of church and state.

Members of Vietnam's official Church of Buddhism said Quang "had used religion to sabotage national solidarity and the rules of Buddhism." They also accused him of damaging Vietnam's official Buddhist church by acts that "gravely compromised the prestige and the interests of the state."

Early this month in a letter addressed to Quang, Vietnamese authorities called on him to "put an end to his anti-government activities".

Official Buddhist clergy in Ho Chi Minh City, calling the letter "reasonable and educational," distributed it widely through its pagodas so "everyone understands clearly the true nature and the erroneous acts of this

monk." Their counterparts in Hanoi have asked the state religious commission to refuse him the role of "head of the institute for the propagation of Buddhist faith" which they said he had given himself, official press reports said.

Quang, a monk at the central Vietnamese pagoda of Hoi Phuoc, is considered the leader of the Unified Buddhist Church and has feuded with the government over what he says is the state's heavy-handed control of religious activities. Human rights groups say he is now under surveillance at his home in Quang Ngai province.

Relations between the government and Buddhist dissidents, who want separation of church and state, have deteriorated markedly since the April 1992 death of Thich Don Hau, considered the Unified Buddhist Church patriarch. Violent clashes broke out between security forces and Buddhist dissidents in May and July in the city of Hue in central Vietnam and Vung Tau in the south. Six monks arrested after an incident in Hue on May 21 are to stand trial soon, press reports say.

